



# भारत का राजपत्र

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इस भाग में किसी पृष्ठ संख्या वी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

### भाग III—खण्ड 4

#### PART III—SECTION 4

विविध निकायों द्वारा जारी की गई विविध अधिसूचनाएं जिसमें अधिसूचनाएं, आदेश, विज्ञापन और सूचनाएं सम्मिलित हैं।  
Miscellaneous Notifications including Notifications, Orders, Advertisements and Notices  
issued by Statutory Bodies

स्टेट बोर्ड ऑफ इंडिया,  
केन्द्रीय कार्यालय

बम्बई, दिनांक 16 नवम्बर 1973

इसके द्वारा बैंक के स्टाफ में की गई निम्नलिखित नियुक्ति  
की अधिसूचना वी जाती है :—

श्री एस० के० लापरिया ने दिनांक 8 नवम्बर, 1973 से कानपुर  
बफ्टल के सचिव एवं कोषपाल का पदभार ग्रहण किया।

पी० सी० डी० नम्बियार,  
उप-प्रबन्ध निदेशक,  
(कार्मिक एवं सेवाएं)

वि इंस्टीट्यूट ऑफ कॉर्स एण्ड वर्कर्स  
एकाउन्टेंट्स आ० इंडिया

कलकत्ता-16, दिनांक 26 अक्टूबर 1973

(कास्ट एकाउन्टेंट्स)

सं० 39-सी० डब्ल्यू० ए० (41)/73—दी कास्ट एण्ड  
वर्कर्स एकाउन्टेंट्स रेग्यूलेशन्स 1959 में दी कास्ट एण्ड वर्कर्स  
एकाउन्टेंट्स अधिनियम 1959 (1959 के अधिनियम सं० 23)  
की धारा 39 की उपधाराओं (1) के द्वारा दिये गये अधिकारों

1—349 GI/73

का प्रयोग करते हुए दी इंस्टीट्यूट आ० कास्ट एण्ड वर्कर्स एकाउन्टेंट्स के अधिनियम दी कास्ट एण्ड वर्कर्स एकाउन्टेंट्स रेग्यूलेशन्स 1959 में निम्न संशोधन किया है जो उपरोक्त धारा की उपधारा (3) के अनुसार प्रकाशित हुआ और जिसका केन्द्रीय सरकार ने अनुमोदन किया है :—

कहे हुए रेग्यूलेशन्स में :—

1. विनियम के धारा (जी) में शब्द “प्रकाशन तालिका” के पहले शब्द “झौर” को जोड़ा और निम्न शब्दों को सूचाया जाएगा :—

“झौर जर्नल का प्रकाशन”

2. विनियम 87 वी के अन्त में और विनियम 88 के प्रारम्भ के पहले, निम्न चया विनियम जोड़ा जायेगा, यथा :—

“87 सी० जर्नल समिति :— जर्नल जो इंस्टीट्यूट का आफिशियल आर्गेन होशा, इसके प्रकाशन, इसका उचित स्तर बनाये रखना और इससे सम्बन्धित सभी कार्यों का दातिय जर्नल समिति को होगा”।

एस० एन० घोष  
सचिव

STATE BANK OF INDIA  
(CENTRAL OFFICE)

Bombay, the 16th November 1973

The following appointment on the Bank's staff is hereby notified :—

Shri S. K. Taparia has assumed charge as Secretary & Treasurer, Kanpur Circle, as from the 8th November 1973.

P. C. D. NAMBIAR, Dy. Director  
(Personnel & Services)

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS  
OF INDIA

Calcutta-16, the 26th October 1973  
(COST ACCOUNTANTS)

No. 39-CWA(41)/73.—In exercise of the powers conferred by sub-section (1) of Section 39 of the Cost and Works Accountants Act, 1959, (Act No. 23 of 1959), the Council of the Institute of Cost and Works Accountants of India has made the following amendments in the Cost and Works Accountants Regulations, 1959, the same having been previously published and approved by the Central Government, as required by sub-section (3) of the said Section.

In the said Regulations :

I. In clause (g) of Regulation 85, the word 'and' shall be inserted before the words 'publication of list' and the following words shall be omitted :

"and issue of the Journal".

II. After the end of Regulation 878 and before the beginning of Regulation 88, the following new Regulation shall be inserted, namely :

"87C. *Journal Committee*.—The Journal Committee shall be responsible for the publication of the Journal which shall be the official organ of the Institute and for the maintenance of its proper standard and shall perform all the functions in connection therewith."

S. N. GHOSE, Secy.

EMPLOYEES' STATE INSURANCE CORPORATION  
REGIONAL OFFICE (TAMIL NADU)

Madras-34, the 31st October 1973

No. TNR/CO-3(11)/70.—It is hereby notified that Shri V. Krishnaswami of Sri Ramalinga Coondambigai Mills, Tirupur is nominated as a member of the Local Committee Tirupur under Regulation 10 A (1)(e) of the Employees' State Insurance (General) Regulations, 1950 in the place of Shri P. Arumugam.

The following amendment shall accordingly be made to this office notification of even No. dated 15-6-1972 namely for the existing name against Sl. No. 9 the following shall be substituted.

Sl. No. 9 "Shri V. Krishnaswami, Sri Ramalinga Coondambigai Mills, Tirupur".

By Order  
M. A. K. TAYAB  
Regional Director & Ex-officio Member Secy.,  
Regional Board, E.S.I.C., Tamil Nadu.

THE FOOD CORPORATION OF INDIA

Head Office  
1-Bahadur Shah Zafar Marg, New Delhi.  
New Delhi, the 29th October 1973

No. 1-19/71-EP.—In exercise of the powers conferred by Section 45 of the Food Corporations Act, 1964 (37 of 1964) and with the previous sanction of the Central Government, the Food Corporation of India hereby makes the following regulations to amend the Food Corporation of India (Staff) Regulations, 1971, namely :—

1. (1) These regulations may be called the Food Corporation of India (Staff) (15th Amendment) Regulations, 1973.

(2) They shall be deemed to have come into force on the 8th May, 1971.

2. The following amendments should be made to the Food Corporation of India (Staff) Regulations, 1971 :—

Regulation No.	Amendment
1. 16(2)(b) . . . . .	Add the following words at the beginning of the first sentence :  "Except where otherwise so provided".
2. Appendix I-Part II (Gen. Adm. Cadre) Sl. No. 1.	Add the following words in the remarks column (column No. 10)  "To be selected from combined seniority list of Senior Deputy Managers of different cadres mentioned in column 6".

The 30th October 1973

No. 4-7/72-EP.—In exercise of the powers conferred by Section 45 of the Food Corporations Act, 1964 (37 of 1964) and with the previous sanction of the Central Government, the Food Corporation of India hereby makes the following regulations to amend the Food Corporation of India (Staff) Regulations, 1971, namely :—

1. (1) These regulations may be called the Food Corporation of India (Staff) (16th Amendment) Regulations, 1973.

(2) They shall be deemed to have come into force on the 20th October, 1973.

2. The following proviso should be added below Regulation 9(a) of the Food Corporation of India (Staff) Regulations, 1971, namely :—

"Provided that the employees serving under the Central/State Governments and Public Sector Undertakings whose applications are received through proper channel and the surplus employees of the Central/State Governments shall also be eligible to be considered for appointment against direct recruitment vacancies along with the nominees of the Employment Exchange."

B. D. BERERA, Senior Dy. Manager (EP),  
for Personnel Manager.

New Delhi-110001, the 16th November 1973

No. 28(1)/68-B.C.—In exercise of the powers conferred by sub-section (3) read with sub-section (4) of Section 16 of the Food Corporations Act, 1964, (37 of 1964), and in partial modification of the Notification of even number, dated the 30th March, 1968, as amended from time to time, the Board of Directors of the Food Corporation of India hereby appoints Secretary, Agriculture & Cooperation Deptt., Government of Orissa and Secretary, Home Department, Government of Orissa, as members of the Board of Management for the State of Orissa, established under the said Act, in place of Secretary, Cooperation and Forestry Department, Government of Orissa and Secretary, Agriculture Department, Government of Orissa respectively and directs that the following further amendments shall be made in the Notification of even number, dated the 30th March, 1968, namely, in the said Notification, for the existing entries (3) and (5) the following shall be substituted, namely :

(3) Secretary, Agriculture & Cooperation Department, Government of Orissa.

(5) Secretary, Home Department Government of Orissa.

H. R. KHATTAR, Secy.

## INDUSTRIAL DEVELOPMENT BANK OF INDIA

## Report of the

Board of Directors for the year ended  
 June 30, 1973, submitted to the Reserve Bank of India  
 in terms of Section 23(5), and to the Central Government and  
 the Reserve Bank of India in terms of Section 18(5)  
 of the Industrial Development Bank of  
 India Act, 1964

## BOARD OF DIRECTORS

(As on June 30, 1973)

SHRI S. JAGANNATHAN (*Chairman*)  
 SHRI V. V. CHARI (*Vice-Chairman*)  
 DR. R. K. HAZARI  
 SHRI S. S. SHIRALKAR  
 \*SHRI R. K. SESHADRI  
 PROF. M. L DANTWALA  
 SHRI A. N. HAKSAR  
 DR. BHARAT RAM  
 SHRI C. RAMAKRISHNA

DR. P. B. GAJENDRAGADKAR  
 DR. A. M. KHUSRO  
 DR. BHABATOSH DATTA  
 SHRI C. P. SHRIVASTAVA  
 SHRI M. P. CHITALE  
 DR. K. KANUNGO  
 DR. V. KURIEN  
 SHRI G. PARTHASARTHI  
 SHRI N. C. SEN GUPTA

## MEMBERS OF THE REGIONAL COMMITTEES

*Chairman*—SHRI V. V. CHARI

**Eastern Region**  
 SHRI K. N. MOOKERJEE  
 DR. U. N. BARDOLOI  
 DR. H. P. MISRA  
 SHRI BHASKAR MITTAR  
 SHRI A. N. HAKSAR  
 DR. SADASHIV MISRA  
 SHRI RANCHOR PRASAD

**Southern Region**  
 DR. V. SHANMUGASUNDARAM  
 SHRI S. VISWANATHAN  
 SHRI N. B. PRASAD  
 SHRI V. I. CHACKO  
 SHRI M. S. PARTHASARTHY  
 SHRI D. C. KOTHARI  
 SHRI C. RAMAKRISHNA  
 SHRI M. K. RAMACHANDRA

**Nothern Region**  
 SHRI HARBANS SINGH  
 SHRI BISHAMBAR DAS KAPUR  
 PROF. N. L. HINGORANI  
 DR. A. M. KHUSRO  
 SHRI K. N. SAPRU  
 SHRI G. R. MATTO

\*Appointed as Deputy Governor, Reserve Bank of India, with effect from 26th July 1973.

## LETTER OF TRANSMITTAL

Industrial Development  
 Bank of India,

Bombay.  
 September 22, 1973.  
 Bhadra 31, 1895 (Saka)

The Governor,  
 Reserve Bank of India,  
 Central Office,  
 Bombay.

Dear Sir,

In accordance with the provisions of Sections 23(5) and 18(5) of the Industrial Development Bank of India Act, 1964, I forward herewith the following documents :—

- (1) A copy each of the Annual Accounts of the General Fund and the Development Assistance Fund of the Industrial Development Bank of India for the year ended June 30, 1973 ;  
 and
- (2) a copy of the Report of the Board on the working of the Development Bank, including that of the Development Assistance Fund during the year ended June 30, 1973.

Yours faithfully,  
 V. V. Chari  
*Vice-Chairman*

## LETTER OF TRANSMISSION

Industrial Development Bank  
of India,  
Bombay.  
September 22, 1973.  
Bhadra 31, 1895 (Saka).

The Secretary to the Government of India,  
Ministry of Finance,  
Department of Banking,  
New Delhi.

Dear Sir,

In accordance with the provisions of Section 18(5) of the Industrial Development Bank of India Act, 1964, I forward herewith the following documents :—

- (1) A copy of the Annual Accounts of the Development Assistance Fund for the year ended June, 1973 ;  
and
- (2) a copy of the Report on the working of the Development Assistance Fund, which forms part of the Report of the Board on the working of the Development Bank during the year ended June 30, 1973.

Yours faithfully,  
V. V. Chari  
Vice-Chairman.

## OVERALL REVIEW OF ECONOMIC TRENDS : 1972-73

A striking feature of the Indian economy during the year under review was a disconcerting rise in prices, particularly of foodgrains though, in spite of some adverse factors, there was an encouraging increase in industrial production as well as in exports. For the second year in succession, production of foodgrains declined owing to unfavourable monsoon whereas money supply continued to expand at a high rate resulting in serious imbalance between the availability of real output and monetary demand, and a consequent rise in prices. Shortages in the supply of important industrial inputs such as power, steel, coking coal and cement at the same time had their dampening effect on the rate of growth of industrial production, which would have been better but for these shortages. The combined impact of both these developments was that the overall performance of the economy was less satisfactory compared to that in the preceding year.

2. The growth in national income at constant prices is expected to be considerably less than two percent, far short of the annual target of 5·5 per cent during the Fourth Plan. In the first four years of the Fourth Plan national income has risen by about 15·5 per cent. The target for the Plan is an increase of 30·7 per cent in income over the five year period. If this target were to be achieved, national income will have to grow at the rate of about 13 per cent during 1973-74.

3. The production of foodgrains is unlikely to exceed 100 million tonnes as against the level of 105 million tonnes in 1971-72 and 108 million tonnes in 1970-71. Despite depletion in Government stocks of foodgrains during the current year (July-June) by about 6 million tonnes and imports of 1/1/2 million tonnes, the prices of foodgrains increased by 14·3 per cent during 1972-73. They were higher by 20·4 per cent during April-June 1973 compared to the corresponding period during 1972. To meet the existing demand and to prevent a further rise in prices, Government have already arranged for substantial import of foodgrains.

4. Whereas the availability of foodgrains has declined, money supply increased at the rate of 13 per cent compared to 12 per cent during 1971-72 as well as during 1970-71. With such a high rate of monetary expansion in relation to the small rate of growth of real production there is so much liquidity in the economy that even comparatively small shortage are likely to result in increasing prices. Unless foodgrains output improves considerably during the coming year, the pressure of outstanding monetary demand would pose a serious threat to price stability in coming months.

5. Against these sombre features should be set some redeeming developments which lend hope for a better performance in the coming year. Despite the shortage of electric power which affected all States except Kerala and Madhya Pradesh and despite shortages of major inputs such as steel, cement, coking coal and non-ferrous metals, industrial production has increased at a rate of about 5·2 per cent compared to 4·6 per cent during 1971-72 and 3·7 per cent during 1970-71.

6. Exports during 1972-73 have registered a rate of growth of about 22 per cent compared to 4·7 per cent during 1971-72. The rate of growth achieved during last year is the highest in the last twenty years. A part of the rise, no doubt, is due to exports to Bangla Desh but a significant part of increase has been accounted for by higher exports of cotton textiles, leather manufactures, marine products and of engineering goods. A gratifying fact is that the exports of engineering goods have increased at the rate of over 19 per cent and have crossed the level of Rs. 150 crores. A large part of these transactions seem to have been effected on cash terms without recourse to deferred credit facilities. Imports, on the other hand, are likely to be somewhat lower than the last year. Even though there is likely to be a surplus of about Rs. 185 crores on the merchandise account for the first time since independence, India's foreign exchange reserves far from increasing recorded a small decline of Rs. 2 crores. This was mainly due to payment made for foodgrains not received and accounted for by March 1973, reduction in foreign aid and increase in the debt service charges. The surplus on trade account, however, may only be shortlived in view of the large increase in imports of foodgrains and acceleration in the pace of industrial production. However, if exports continue to grow at a similar rate, it should provide the foreign exchange to meet the growing requirements of industry and to overcome the shortages of commodities.

TABLE 1—MAIN ECONOMIC INDICATORS

(April-March)

Item	Unit	1970-71	1971-72	1972-73	Annual	Annual	Annual Rate of	
					average (com- pound) rate of growth between 1950-51 and 1960-61 (percent)	average (com- pound) rate of growth between 1960-61 and 1970-71 (percent)	1971-72	1972-73
1	2	3	4	5	6	7	8	9
National Income (1960-61 price)	Rs. crores	18876	..	..	3·6	3·6	..	..
Per capita Income (1960-61 prices) ..	Rs.	348·9	..	..	1·7	1·3	..	..
Agricultural Production (July-June) ..	Index : triennium ending							
	1961-62—100	131·5	129·2	..	4·0§	2·58§	-1·7	..
Foodgrains Production (June-June) ..	Million tonnes	108·4	104·7	100·0*	4·2	2·8	-3·5	-4·5*
Industrial Production (Unadjusted) ..	Index :							
	1960—100	181·6	189·9	199·7	5·6	6·2	4·6	5·2
Exports .. .. .. ..	Rs. crores	1535	1607	1962	0·7	4·2	4·7	22·1
Imports .. .. .. ..	"	1634	1825	1777	5·6	-0·8	11·7	-3·6
Foreign Exchange Reserves (end March) .. .. .. ..	"	732	849	847	-11·5	4·3	16·9	-0·2
Money Supply (Average of month-end figures) .. .. .. ..	"	6736	7560	8543	3·9	9·5	12·2	13·0
Monetary Resources (Average of month-end figures) .. .. .. ..	"	9980	11479	13279	6·6	9·8	15·0	15·7
Wholesale Prices (Average) .. ..	Index : 1961-							
(i) All Commodities .. ..	62—100	181·1	188·4	207·0	2·8‡	6·8†	4·0	9·9
(ii) Foodgrains .. ..	"	206·8	214·9	247·6	0·2‡	8·4†	2·9	14·3
(iii) Industrial Raw Materials .. ..	"	197·3	191·0	203·4	4·8‡	7·8†	-3·1	6·3
(iv) Manufactures .. ..	"	154·9	167·1	176·7	2·7‡	5·0†	7·7	6·0
(v) Machinery and Transport Equipment .. .. .. ..	"	148·0	159·0	168·2	1·4‡	4·4†	7·4	5·8
Cost of Living Index (Industrial Workers) .. .. .. ..	Index : 1949—100	226	233	251	2·1	6·2	3·1	7·7
Net Domestic Savings as percentage of Net National Product (NNP) at current prices .. .. .. ..		10·6	11·3	11·7				
(i) Government Savings as per cent of NNP .. .. .. ..		2·1	1·9	2·1				
(ii) Private Corporate Savings as per cent of NNP .. .. .. ..		0·6	0·6	0·6				
(iii) Household savings as per cent of NNP .. .. .. ..		7·9	8·8	9·0				
Net Capital Inflow as per cent of NNP		1·1	1·3	0·9				
Net Investment as per cent of NNP		11·7	12·6	12·6				
Employment in the Organised Sector (end-March)	In Million	17·49	17·94	..	6·0	3·8	2·6	..

§Based on Index 1949-50=100.

\*Provisional

†Relates to 8-year period from 1952-53 to 1960-61 (based on index 1952-1953=100).

‡Relates to 9-year period from 1961-62 to 1970-71 (based on index : 1961-62=100).

7. Another welcome feature in the economy was the improvement in the saving rate, the proportion of net domestic savings to net national product at current prices rising from 11·3 per cent in 1971-72 to 11·7 per cent in 1972-73 (Table 1). A large part of saving is contributed by the household sector whose saving in the form of financial assets, particularly in the form of deposits have been increasing at a rapid rate in recent years.

8. Employment in the organised sector continues to grow at rates considerably lower than the ones experienced during the last two decades of planning. In 1971-72 the rates was only 2·6 per cent slightly higher than the rate of 2·4 per cent during 1970-71. The figure for 1972-73 is not readily available. Even though employment would have, very likely gone up in step with industrial production, the rate the growth in employment during 1972-73 is still likely to be below the rate achieved during the last two decades.

9. In the light of performance of the economy in the preceding two years, it is obvious that the task ahead in the last year of the Fourth Plan will be herculean one, if the Plan targets are to be achieved. The performance of the economy—in the industrial as well as the agricultural sector—has been below expectation so far. If the monsoon is good this year, agricultural production may record a substantial improvement. Efforts will have to be intensified on the industrial front so as to achieve a sizable increase in production.

10. With the available data, it is difficult to make an estimate of investment in the private sector of the economy during 1972-73. On the bases of the assistance disbursed by term-lending institutions, however it would appear that there was some improvement in the investment activity in the private sector. Even though it is difficult to draw any definitive conclusion from the related data on capital raised, industrial licences and licences for imports of capital goods, these indicators are sure to have significant impact on investment activity after a lag of three months to a year. The related data (Table 2) also suggest some improvement in the investment activity during 1972-73.

TABLE 2 – SOME INDICATORS OF INVESTMENT ACTIVITY

Period		Capital† raised by non-Govt. companies (cal- endar year)	No. of indus- trial licences issued (calender year)	Import licences issued for capital goods heavy electrical Plants* (April- March)	Assistance** dis- bursed by all term financing institutions
		(Rs. crores)	(Rs. crores)	(Rs. crores)	(Rs. crores)
1968-69	.. .. .. .. .. .. .. .. ..	96·4	222	83·8	85
1969-70	.. .. .. .. .. .. .. .. ..	95·6	221	73·2	111
1970-71	.. .. .. .. .. .. .. .. ..	89·4	363	127·1	133
1971-72	.. .. .. .. .. .. .. .. ..	87·4	626	252·2	163
1972-73	.. .. .. .. .. .. .. .. ..	123·1	877	268·0	192

†Ordinary and preference shares and debentures.

\*To Government and non-Government agencies.

\*\*Data relate to IDBI, IFCI, ICICI, IRCI SFCs and SIDCs/SIICs and comprise direct loans and underwriting/direct subscriptions to shares and debentures of industrial concerns. In respect of the IDBI, data also include refinance of industrial loans to banks and rediscounting of bills. Refinance assistance from IDBI to SFCs is excluded.

11. A rough estimate made on the basis of preliminary information indicates that the assistance from term lending institutions has been responsible for financing about 33 per cent of gross fixed assets formation in the private corporate sector during 1972-73 as compared to about 30 per cent during 1971-72. The assistance from IDBI itself accounted for about 13·5 per cent of gross fixed assets formation in the private corporate sector during 1972-73. Thus it is obvious that term-lending institution have been playing an increasingly important role in financing industrial projects. Some of these projects could not have come into existence but for the active support of financial institution.

12. At present there are not many projects of very large magnitude in the pipe line with the institutions. Availability of finance is not the predominant factor in making investment decisions. If high rates of capital formation in the industrial sector are to be sustained over long period what is required is improvement in investment climate and policies to minimise critical uncertainties regarding the future. This would require policies that are consistent with the Plan objectives relating to long term rates of growth in investment and industrial production.

13. In February 1973, Government announced some important changes in industrial policy through two statements. According to these statements, all industries are divided into three categories (see Annexures to Appendix). Some broad areas of industrial activity, those described in Schedule A of the Industrial Policy Resolution of 1956, are reserved for public sector. At the other end, there are 124 items reserved exclusively for development in the small scale sector. In between, there is an undefined area which contains a 'core' sector as well as non-'core' sector. The larger houses, for the purpose of industrial licensing policy, will be defined as those undertakings whose assets, along with assets of interconnected undertakings, are not less than Rs. 20 crores. The larger industrial houses and foreign companies would be free to enter the 'core' sector but not the non-'core' sector. They can, however, establish units in the noncore sector provided production is predominantly for exports. Production, by these houses, of mass consumption goods is not absolutely ruled out if the small and medium entrepreneurs and co-operatives fail to bring about satisfactory proposals. Though projects in the joint sector are to be encouraged on the merits of each case, it will not be allowed to be used for the entry of larger houses and foreign companies into industries from which they are normally excluded. In all joint sector projects, Government will ensure for itself an effective role in formulation of policies, management and operations.

14. Among other important developments which have a bearing on industrial growth, mention may be made of the following :

—Expansion of the list of industries which have been allowed additional manufacturing capacity upto 100 per cent of existing capacity, both in the public and private sectors of industry, without the formality of an industrial licence. Thus in October 1972, 11 more industries covering road rollers, polyestrene stell wires, PVC resins, etc. have been added to the list.

—Taking over of the management of 711 non-coking coal mines in January 1972 under the Coal Mines (Taking Over of Management) Act, 1973. This measure was primarily motivated by the need to step up coal production. Government had already taken over the management of 214 coking coal mines in October 1971.

—Taking over the management of the Indian Iron and Steel Co. Ltd. in July 1972, for a period of two years, with a view to restoring its rated capacity and securing proper management of the company.

—Setting up of a Public Investment Board for screening all major project proposals emanating from public sector enterprises. This will help to improve the quality of project appraisal and also to reduce the time-lag between the formulation of a project and its approval by the Government.

—Raising the ceiling on investment eligible for Central subsidy in respect of projects set up in specified backward districts/areas from Rs. 50 lakhs to Rs. 1 crore and the percentage of subsidy from 10 per cent to 15 per cent of the investment.

### PROMOTIONAL ACTIVITIES OF IDBI

15. While keeping in view its basic objective of promoting and sustaining rapid development of industries, IDBI has endeavoured to see that the development impulse as well as the benefits of development are well spread out among all regions in the country. Backward areas get special consideration in its scheme of assistance. The promotional activities of IDBI are oriented towards meeting the dual objectives of balanced regional development and acceleration in the industrial growth. Activities directed towards the first objective include identification and follow-up of projects located in the backward areas. Activities directed towards fulfilling the second objective include efforts at building up an appropriate framework for industrial development. A general review of activities under both these categories is presented below.

#### **Surveys of Backward States/Union Territories**

16. 1972-73 marks the third year of intensive promotional activities of IDBI. With this year, an important phase relating to industrial potential surveys of backward States/Union Territories has been more or less completed. Except for Andaman and Nicobar Islands, surveys of all States/Union Territories demarcated by Pande Committee as backward areas, have been completed. As stated in the last year's Report, these surveys were carried out jointly with other term-lending institutions. Of the 16 industrial potential surveys carried out by the Study Teams, 12 Reports relating to Assam, Arunachal Pradesh, Madhya Pradesh, Himachal Pradesh, Orissa, Rajasthan, Tripura, Uttar Pradesh and Manipur have been printed and published. During the last three years, IDBI has, on an average, printed and published one survey report for every 2/3 months. The Report on Pondicherry has been prepared, while that on Goa, Daman and Diu (including Dadra and Nagar Haveli) is under preparation. Surveys relating to Andhra Pradesh, Laccadive, Amindivi and Minicoy Islands, taken up during the year 1972-73, have been completed and the Reports thereon are under preparation.

17. As regards Andaman and Nicobar Islands, it is proposed to sponsor in the near future, a Joint Institutional Team which would hold discussions with the officials of the Government of the Territory and prepare a list of projects which could be implemented both in the immediate and distant future.

#### **Surveys of Backward Districts in Developed States**

18. The IDBI has been pursuing with the State Government/State Financial Institutions the undertaking of surveys of the districts notified as 'backward' in the developed States and has offered assistance in that connection. On the basis of information gathered directly from the State Governments or indirectly through other sources, it is understood that the State Governments/State Financial Institution have undertaken surveys of some of the notified backward districts. In Kerala, all the backward districts (Cannanore, Malappuram, Alleppey, Trivandrum and Trichur) have been surveyed. For the Trivandrum survey, IDBI lent the services of a senior official to assume the leadership of the Survey Team. In Mysore, the Survey of Mysore district has been completed under the leadership of an official lent by the IDBI. Besides, steps are under way for taking up the surveys of Dharwar, South Kanara, Belgaum, Raichur and Hassan districts. The survey of Purulia district in West Bengal is being carried out by a team of experts from the Jadhavpur University. The IDBI has agreed to bear the expenses in this regard. In Gujarat, 5 districts (Panchmahal, Kutch, Banaskantha, Sabarkantha and Amreli) out of the 10 backward districts have been surveyed. In Tamil Nadu, surveys of 4 backward districts (Dharmapuri, Ramanathapuram, South Arcot and Tanjavur) have been commissioned and in Maharashtra, 2 backward districts (Dhulia and Jalgaon) have been surveyed. In Andhra Pradesh, a survey of 'subsidy tract' of Rayalaseema was carried out by Andhra Pradesh State Financial Corporation through a private consultant.

#### **Discussions at State Level**

19. Follow-up discussions on backward area Survey Report for the selection of project of ideas that seem *Prima facie* viable have already taken place in Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Manipur, Orissa, Rajasthan, Tripura, and Uttar Pradesh. The discussions with other States i.e., Arunachal Pradesh and Nagaland will be concluded in the near future.

#### **Follow up of the Identified Projects.**

20. Out of about 207 projects ideas identified by the Joint institutional Study Teams in respect of the backward States (please see Table 3) 18 projects are either implemented or are under implementation and 8 are under consideration for financial assistance by the financial institution. Further IDBI in collaboration with other term-lending institution, has already commissioned preliminary feasibility studies of fourteen projects ideas identified by the Study Teams for Assam, Arunachal Pradesh, Bihar, Orissa, Tripura, and Meghalaya. These include projects for setting up of sugar, paper and pulp and jute mills, manufacturing units for steel billets, granulated fertilisers, solvent extraction units, central processing and powerlooms sal seed oil, vegetable and fruit processing unit etc. These studies would provide enough material for taking a *Prima facie* decision by promoters to select a project. The preliminary feasibility studies with regard to five more project in Meghalaya, namely, asbestos cement sheets, meat processing and tannery for hides and skins, plywood and veneers, cold storage for potatoes and a saw mill seasoning-cum-treatment plant are being commissioned. The other project ideas identified in these reports are still to be developed into viable schemes for which IDBI has initiated several measures such as assessment of *Prima facie* feasibility of the projects, identification of entrepreneurs and preparation of feasibility reports. The Committee of Direction which supervises and guides the industrial potential surveys of backward areas and related follow-up measure has finalised certain guidance for the follow up of such projects. Under these guidelines, feasibility studies would be commissioned only for facilitating identification of entrepreneurs. Where entrepreneurs have already come forward, financial institution instead of commissioning feasibility studies on their own, would assist them in recommending suitable consultants, in formulating terms and conditions of consultancy

TABLE 3—PROJECTS SUGGESTED IN THE SURVEY REPORTS FOR IMPLEMENTATION IN THE NEAR FUTURE

State	Project cost in crores of rupees															
	Agro-based		Livestock-based		Forest based		Mineral-based		Chemicals and Engineering		Consumer oriented		Tourism and Hotels		Total	
	No. of Projects	Project cost	No. of Projects	Project cost	No. of Projects	Project cost	No. of projects	Project cost	No. of Projects	Project cost	No. of Projects	Project Cost	No. of Projects	Project Cost	No. of Projects	Project Cost
Assam .. ..	.. 5	10.11	—	—	3	19.60	—	—	3	11.39	1	5.43	2	0.31	14	46.84
Arunachal Pradesh	.. 2	—	—	—	9	42.15	—	—	—	—	—	—	—	—	11	42.15
	(2)				(6)										(8)	
Bihar .. ..	.. 2	1.50	—	—	—	—	5	118.23	2	—	4	25.00	—	—	13	144.73
	(1)								(2)						(3)	
Himachal Pradesh	.. 2	2.00	—	—	2	36.80	2	8.00	6	18.20	2	2.00	—	—	14	67.00
	(1)				(1)				(2)		(1)				(6)	
Jammu & Kashmir ..	.. 9	0.46	1	1.25	4	61.55	10	13.87	2	0.15	2	0.25	4	2.07	32	79.60
	(6)				(1)				(1)		(1)				(10)	
Madhya Pradesh	.. 3	6.50	—	—	7	110.62	13	166.45	11	115.39	1	2.50	—	—	35	401.46
					(2)				(1)						(3)	
Manipur .. ..	.. 9	2.27	—	—	3	8.00	1	0.80	2	0.22	7	5.16	—	—	22	16.45
	(4)				(2)				(1)		(1)				(8)	
Nagaland .. ..	.. 2	3.73	—	—	2	20.23	—	—	1	—	—	—	—	—	5	23.95
									(1)						(1)	
Orissa .. .. ..	.. 7	4.93	—	—	2	50.00	6	15.53	1	6.00	—	—	—	—	16	76.46
	(3)						(3)								(6)	
Rajasthan .. ..	.. 2	0.14	—	—	4	1.92	5	10.00	5	9.80	3	0.32	—	—	19	22.18
							(1)		(2)						(3)	
Tripura .. .. ..	.. 3	1.87	—	—	2	40.00	1	0.10	3	0.80	3	1.05	1	0.05	13	43.87
					(1)										(1)	
Uttar Pradesh .. ..	.. 5	35.90	—	—	1	30.00	2	12.00	5	117.79	—	—	—	—	13	195.69
	(1)														(1)	
Total .. ..	.. 51	69.41	1	1.25	39	420.86	45	344.98	41	279.74	23	41.71	7	2.43	207	1160.38
	(18)				(13)		(7)		(9)		(3)				(50)	

Note : Figures in brackets indicate projects for which project cost is not estimated.

### **Identification of Entrepreneurs**

21. IDBI and State-level institutions have been able to obtain favourable response from entrepreneurs for some projects through the publicity of project ideas and feasibility studies among prospective entrepreneurs. These promoters are being actively assisted by the IDBI in implementing the projects successfully.

### **Inter-Institutional Groups at the State Level**

22. A reference has been made in the last Report to the Inter-Institutional Groups functioning in eight of the States. They were Andhra Pradesh, Assam, Bihar, Jammu & Kashmir, Kerala, Orissa, Uttar Pradesh and West Bengal. During 1972-73, such Groups have been formed in 4 more States, namely, Himachal Pradesh, Madhya Pradesh, Rajasthan and Mysore. Most of these Inter-Institutional Groups meet periodically and discuss issues relating to the identification of new projects and their follow-up. Certain operational guidelines have been circulated for the benefit of convenors of these Inter-Institutional Groups. Steps are being taken for setting up of similar Groups in the remaining States.

### **Development of Entrepreneurial and Managerial Talents**

23. Details of the scheme on entrepreneurial training operated by the State-level institutions in Gujarat have been circulated amongst the members of various Inter-Institutional Groups for consideration and adoption with suitable modifications consistent with the local need. At the instance of the Inter-Institutional Group for Kerala, a training course for entrepreneurs has been started at the School of Management, University of Cochin. The Government of Tripura has been given the requisite assistance by the IDBI for sponsoring a scheme for training of entrepreneurs. IDBI has also commissioned a study of entrepreneurial/managerial problems of small-scale units through the Indian Institute of Management, Ahmedabad. The study is expected to highlight different problems faced by entrepreneurs in setting up new ventures. This information would be useful in planning a meaningful positive programme for entrepreneurial assistance.

### **Technical Assistance**

24. Prospective entrepreneurs require services of technical personnel throughout the project work. For ensuring reliable technical assistance to entrepreneurs at a reasonable cost, there is a need for an organised profession of consultants in the country. Pending the emergence of such a profession, the IDBI thought it necessary at least to collect information on the types of technical consultancy services available in the country. Thus, a list of consultants has been prepared, giving the areas of specialisation and services that could be offered by different consultants.

25. During the year under review, the list of consultants was revised and enlarged by a Committee of Technical Officers of IDBI, ICICI and IFCI and has been circulated recently among the financial institutions (SFCs, SIDCs and SIIICs), lead banks and State Directorates of Industries.

### **Establishment of Technical Consultancy Service Centres (TCSCs)**

26. Further, as mentioned in the last Report, a beginning was made in Kerala in setting up of a Technical Consultancy Service Centre known as the Kerala Industrial and Technical Consultancy Organisation Ltd. (KITCO) sponsored by the IDBI, IFCI, five lead banks<sup>1</sup> in the State, State-level financial/developmental institutions and the State Government. KITCO is now in operation for more than a year. (Also please see paras 160-164).

27. In view of the scarcity of specialised staff required to man such an organisation, it is felt that the establishment of a zonal/regional institution covering two or more States in the region would be desirable. Further, a zonal organisation would be able to support a sufficiently large and broadbased professional staff on a continuing and self-sustaining basis. In view of this, a zonal organisation known as the North Eastern Industrial and Technical Consultancy Organisation Ltd. (NEITCO) to cater to the needs of the States/Union Territories in the North Eastern Region, has been sponsored jointly, by the IDBI, IFCI, ICICI, three lead banks<sup>2</sup> and the State-level financial/developmental institutions. NEITCO which started functioning at Gauhati from the 28th May 1973 has been registered on July 18, 1973 under the Companies Act, 1956.

28. Other State Governments have shown interest in having technical consultancy service centres in their States and it is envisaged that NEITCO type zonal consultancy organisations could be established in some other States also in future.

### **Working Group on SIDCs/SIIICs/SSICs**

29. A reference was made in the last year's Report about the appointment of a Working Group to study the functions of State Industrial Development Corporations (SIDCs), State Industrial Investment Corporations (SIIICs) and State Small Industry Corporations (SSICs) and to suggest the possibilities of integrating them with the IDBI's network of activities. During the year under review, this Group had discussions with the officials of the State Governments/State-level financial Institutions in Assam, Bihar, Rajasthan, Tripura and West Bengal. With these, the discussions in almost all the States are over. On the basis of the discussions and the data/information received from the SIDCs/SIIICs/SSICs, a preliminary draft report has been prepared and it is expected to be finalised in the near future.

### **Mining Committee**

30. Mention was made in the last Report regarding the constitution by IDBI in August 1971 of a Committee on Financing the Mining Industry to devise a suitable scheme for financing the small and medium-sized mining units for augmenting the flow of institutional credit to the mining sector. The Report submitted by the Committee is under consideration of the IDBI/Government.

### **Brochure on Promotional Activities**

31. A brochure on the IDBI's promotional activities is under preparation. This would give, at one place, important information such as summaries of survey reports published by IDBI, identified projects, list of backward districts eligible for concessional assistance and Central subsidy, schemes for training of entrepreneurs and various incentives offered by State Governments and financial institutions.

## Assessment

32. Achievements of the first three years of the promotional activities could be briefly listed as (a) industrial potential survey of nearly two-thirds of the country; (b) initiation of collaborative efforts through the mechanism of Inter-Institutional Groups in projects-identification and their follow-up; and (c) establishment of intimate and direct contacts with various officials of the State Governments/ State-level institutions concerned with development of industries.

33. Achievements of promotional activities at this stage cannot be assessed due to several reasons in term of concrete projects. Various activities initiated by the IDBI in the field of industrial promotion by their very nature could produce significant results only over a period of time, because many of these activities are time-consuming. To illustrate, several months are required even for preparing a preliminary feasibility report of a project. Secondly, project development requires co-ordination between more than one agency and if the response of even one of the agencies is slow or unsatisfactory, the progress is held up. It is for this reason that an important future task of the IDBI would be to study in depth these problems and other factors which govern the quality of response from the entrepreneurs, technical consultants and other agents and initiate measures that would ensure a prompt and timely response. Several measures in the field of consultancy and training have been taken so far, but these need to be further strengthened in the light of the experience and knowledge that IDBI would gain from its follow-up of individual projects in various States.

## **OPERATIONS: 1972-73**

## General

### **Overall Position**

34. During 1972-73 there was a significant step up in the number the total value and utilisation of sanctions for project assistance i.e., assistance other than for exports of engineering goods on deferred credit terms. Thus the number of sanctions of such assistance increased to 2738 (1972-73) from 1996 (1971-72) and the value of the sanctions increased to Rs. 148.7 crores (1972-73) from Rs. 140.7 crores (1971-72). A significant feature of direct assistance and refinance assistance (which together accounted for nearly two-thirds of project assistance) was the considerable increase in the share of small and medium units in such assistance. Assistance to units located in the backward areas also showed considerable increase during the year. Sanctions of assistance to exporters of engineering goods on deferred payment terms, however, showed a decline on account of various factors referred to later in this Section (please see para 80). Total utilisation of assistance by assisted concerns recorded an all-time high, crossing the Rs. 100-crore mark. Table 4 brings out the trend in overall operations relating to project assistance (i.e., assistance other than for exports and guarantees) of the IDBI since its inception in July 1964. Category-wise details of assistance sanctioned to and utilised by industrial concerns are given in Table 5.

TABLE 4—TRENDS IN IDBI'S PROJECT ASSISTANCE : 1964-65 TO 1972-73

(Rs. Crores)

\*Excluding guarantees and assistance for exports figures of effective sanctions reflect gross sanctions *Minus* subsequent reductions including those owing to sanction of limits by other financial institutions and cancellations.

35. There was a sizable shift in the composition of assistance during the year. About 57 per cent of the IDBI assistance during 1972-73 was channelled through the intermediary of other financial institutions and banks in the form of refinancing of industrial loans, rediscounting of machinery bills and subscription to shares and bonds of other financial institutions. During 1971-72 such assistance accounted for about 47 per cent. The significant increase in the indirect financing emphasises the increasingly important role of the IDBI in the development of the small and medium sectors of the economy. The share of direct project assistance also went up, though marginally, from about 40 per cent to about 42 per cent. Exports assistance which had accounted for about 19.22 per cent during 1968-71 declined to 14 per cent in 1971-72 and further dropped to 2 per cent in 1972-73.

36. The increase in the project assistance in the form of direct assistance refinance of industrial loans and rediscounting of bills is indicative of an improvement both in the investment climate and actual investment in the private industrial sector.

37. The following highlights of operations during 1972-73 are noteworthy :

(f) Cash utilisation of assistance during 1972-73 exceeded the Rs. 100-crore mark.

(ii) There was a phenomenal rise of 37 per cent in the number of applications for which project assistance was sanctioned during the year.

(iii) The best performance during the year was under the scheme for refinance of industrial loans. The number of applications against which assistance was sanctioned rose from 1733 to 2407. Total refinance sanctioned recorded an increase of 21 per cent to Rs. 33.3 crores. The bulk of the assistance sanctioned under this scheme was in respect of small scale industry including small road transport operators. The assistance to small scale industry including road transport operators showed an

increase of 37 per cent rising from Rs. 18.5 crores in 1971-72 to Rs. 25.4 crores in 1972-73. As much as 96 per cent of the applications sanctioned under the refinance scheme during 1972-73 was in respect of this sector. Also the proportion of refinance to the small scale industry and small road transport operators in value went up from 67 per cent in 1971-72 to 76 per cent in 1972-73 (please see paras 66 and 118).

(iv) Direct assistance was sanctioned on as many as 96 applications in respect of 63 projects compared to 55 applications in respect of 36 projects during the previous year. There was thus a spread of assistance over a large number of comparatively smaller projects.

(v) Sanctions under the scheme for Rediscounting of Machinery Bills recorded a further increase of 10 per cent over the level for the previous year.

TABLE 5.—ASSISTANCE SANCTIONED BY THE IDBI AND UTILISED BY THE ASSISTED CONCERNs DURING 1971-72 AND 1972-73 (JULY-JUNE)

(Amount in crores of rupees)

Type of assistance	Assistance Sanctioned						Assistance Utilised			
	1971-72		1972-73		July 1964 to June 1973		1971-72		1972-73	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8	9	10	
1. Direct loans to industrial concerns (other than for exports)	35 (34)	56.0 (50.5)	58 (58)	59.6 (55.0)	218 (200)	299.2 (243.0)	9.6	25.2	124.5	
2. Underwriting of and direct subscription to shares and debentures of industrial concerns	21 (21)	16.6 (14.2)	37 (37)	8.2 (7.8)	170 (158)	67.5 (48.8)	1.8	5.0	26.4	
3. Refinance of industrial loans	2194 (1733)	32.2 (27.5)	2517 (2407)	35.3 (33.3)	8159 (7182)	202.7 (180.9)	24.0	25.0	167.1	
4. Rediscounting of bills	204 (204)	45.3 (45.3)	231 (231)	49.8 (49.8)	361 (361)	185.0 (185.0)	38.3	42.5	157.8	
5. Subscriptions to shares and bonds of financial institutions	4 (4)	3.2 (3.2)	5 (5)	2.8 (2.8)	21 (21)	38.9 (38.9)	5.3	2.8	36.2	
Total project Assistance (1 to 5) .. .	2458 (1996)	153.4 (140.7)	2848 (2738)	155.7 (148.7)	8929 (7922)	793.3 (696.7)	79.0	100.5	512.0	
6. Direct loans for exports .. .	12 (12)	19.3 (19.3)	4 (4)	2.7 (2.7)	48 (48)	51.1 (51.1)	10.2	3.9	29.0	
7. Refinance of export credits .. .	10 (10)	3.3 (3.3)	2 (2)	0.1 (0.1)	57 (57)	28.8 (27.4)	4.8	2.2	23.6	
Total of 1 to 7 .. .	2480 (2018)	176.0 (163.2)	2854 (2744)	158.6 (151.6)	9034 (8027)	873.2 (775.2)	94.0	106.6	564.6	
8. Guarantees for loans and deferred payment .. .	—	—	1 (1)	0.3 (0.3)	18 (14)	64.6 (26.7)	—	0.4*	19.6*	
9. Export guarantees .. .	—	0.1+ (0.1)	—	—	3 (3)	1.8 (1.8)	0.1*	0.1*	1.8*	

(1) Figures within brackets indicate effective sanctions.

(2) The number of applications in respect of item 4 relates to the number of manufacturers and in respect of item 5 to the number of financial institutions.

(3) Figure in this and subsequent tables/annexures may not add up to the totals due to rounding off.

\*Guarantees executed

+Enhancement of Sanction.

(vi) Sanctions under export assistance lagged behind. Total sanctions during 1972-73 were for Rs. 2.8 crores as against Rs. 22.7 crores in 1971-72 (please see para 79).

(vii) There was a marked increase in the number of applications from specified backward districts\* on which assistance was sanctioned during 1972-73. About 59 per cent\*\* of the sanctions under direct assistance was in respect of units in backward districts. The corresponding percentage for 1971-72 was 46. There was also a significant increase in the number of applications on which assistance was sanctioned on concessional terms which rose from 255 in 1971-72 to 586. (In this connection, paragraphs 95 and 96 may also be seen).

38. A fall in utilisation of export assistance was more than offset by a nearly two-fold increase in utilisation under direct project assistance. Utilisation of direct project assistance has started picking up with the implementation of major projects which were sanctioned assistance during 1970-71 and 1971-72.

39. The trends in IDBI's sanctions of assistance and utilisation by industrial concerns in each of the years since inception upto 1972-73 are indicated in Annexures I(A), I(B) and I(C).

#### **Direct Assistance to Industrial Concerns (other than for Exports)**

40. The IDBI continued to keep under review its policies with regard to joint financing including close co-ordination in project appraisal and supervision. As far as possible, collection of information, plant visits, finalisation of project costs and financial plans and discussions with promoters are conducted jointly with other All India term financing institutions in order to arrive at speedy decisions on requests for assistance and to avoid inconvenience to applicants in dealing with different institutions.

#### **Nature of Assisted Projects**

41. Of the 63 projects covering 96 applications to which direct assistance was sanctioned during 1972-73, 48 projects envisaged the setting up of new capacities or expansion of the existing capacities (including diversification scheme in certain cases). Assistance in respect of 12 projects was for relieving the strain on their financial position and/or for meeting the overrun in project cost and/or for taking up rehabilitation schemes to improve the working of the companies concerned. The remaining three projects related to the modernisation/rehabilitation schemes of existing companies.

42. Among the new projects which numbered 36, seventeen projects were in the 'core sector' of industries. These included eleven arc furnace steel units which envisaged setting up of new capacities between 18,400 tonnes and 39,000 tonnes per annum each. During the two years, 1971-72 and 1972-73 the IDBI has assisted 15 projects of this nature, involving manufacture of steel billets and/or ingots. When these projects are implemented they will result in establishing new capacities for 3.57 lakh tonnes of mild steel billets/ingots which at present are, to a large extent being imported. The other six core sector projects related to (i) a unit for conversion of aluminium ingots/wire bars into wire rods being set up by a technician entrepreneur ; (ii) a project for manufacturing carbon black used by rubber and tyre industry ; (iii) a project for manufacture of variable speed eddy current coupling units with electronic control—a unit being the first of its kind in the country and being set up in a specified backward district of Kerala ; (iv) a project for manufacture of coated papers, being put up by an experienced technician entrepreneur ; and (v) two petro-chemical units promoted by the State Industrial Development Corporations in Assam and Mysore and being located in specified backward districts.

43. During 1972-73, assistance was sanctioned to three new sugar units. One of these units is being set up in Nagaland, an industrially backward State. This unit, promoted by the Nagaland Industrial Development Corporation, will be the first major project in the State. Also assistance was provided to five new tourist hotel projects, which will provide additional facility of 624 single/double rooms.

44. The IDBI broke new ground in financing a central textile processing plant for processing cotton fabrics, being set up by the Industrial Reconstruction Corporation of India, (IRCI) which itself was promoted by the IDBI in April 1971 with the primary objective of rehabilitating and reviving sick and closed industrial units. The initiative taken by the IRCI in promoting this project has to be seen in the context of the problems faced by sick mills assisted by IRCI in getting modern processing facilities to improve the quality of their products and their profitability. To provide assistance to those sick units for setting up individual processing plants was not considered to be an economic proposition as it would have involved avoidable duplication of machinery.

45. The IDBI provided assistance for 12 expansion/diversification projects in the field of cement, paper, textile, jeep-type vehicles, etc. The companies to which assistance was made available include (i) Panyam Cements and Mineral Industries Ltd. for expansion of installed capacity at Cement Nagar, Andhra Pradesh from 3.88 lakh tonnes per annum to 4.74 lakh tonnes per annum and for setting up a new unit for production of calcium carbide in Mysore ; (ii) Madras Cements Ltd. for increasing the capacity from 1.90 lakh tonnes to 4.12 lakh tonnes per annum, (iii) Chitradurga Copper Company Ltd. for exploration and development of copper mines and setting up of a plant for processing 250 tonnes per day of copper ore; (iv) Bilaspur Spinning Mills and Industries Ltd. for increasing the installed spindles from 12,064 spindles to 25,024 spindles ; (v) West Cost Paper Mills Ltd. for expansion of its capacity from 45,000 tonnes per annum to 60,000 tonnes per annum under the crash programme of the Government of India by installing balancing equipment ; and (vi) Rajasthan Spinning and Weaving Mills, Ltd. for setting up a new unit in a specified backward district under its expansion / diversification scheme envisaging conversion of part of its spindles from production of cotton and staple yarn to manufacture of synthetic yarn and setting up of a dye house for polyester/staple fibre and blended yarn.

46. Assistance was sanctioned for financing the modernisation/rehabilitation schemes of Tata group Electric Companies, Indian Iron & Steel Co. Ltd. and Elphinstone Spinning and Weaving Mills Ltd. Tata group Electric Companies was the first recipient of IDBI's direct assistance in the electricity generation and distribution industry. Assistance to this group would facilitate increased offtake of power from MSEB system and relieve to some extent the power shortage in the area. In respect of Indian Iron and Steel Company Ltd. whose management vests in the Government since July 1972, the rehabilitation scheme would help restore its rated capacity of 1 million tonnes of ingot steel per annum.

47. IDBI provided supplementary assistance to 12 projects either for meeting overrun in costs or for relieving the strain on financial position arising out of poor performance or for financing the rehabilitation schemes undertaken by the companies to make their units economically and commercially viable. The projects so assisted are (i) paper and pulp project of Central Pulp Mills Ltd.

\*Refers to districts in the different States/Union Territories specified by the Planning Commission, qualifying for concessional assistance from the financial institutions

\*\*Relates to direct assistance both on concessional terms and normal terms to units in specified backward districts.

(ii) drugs manufacturing project of Dey-sc Chem Ltd.; (iii) Nylon filament yarn manufacturing project of Shree Synthetics Ltd.; (iv) Polyester fibre plant of Swadeshi Plytex Ltd.; (v) Kamani Engineering Corporation's project for the manufacture of transmission line towers; (vi) malleable Iron castings project of Bombay Malleable Iron Castings & Allied Industries Ltd.; (vii) transformer oil manufacturing project of Nagpal Ambadi-Petro-Chem Refining Ltd.; (viii) brick making plant of Excelsior Plants Corporation Ltd.; (ix) Utkal Machinery's project for the manufacture of Industrial machinery, (x) project for the manufacture of precision fasteners, high tensile bolts etc. of Allied International Products Ltd.; (xi) hotel project of U.P. Hotels and Restaurants Ltd. and (xii) fertiliser project of Southern Petro-Chemical Industries Corporation Ltd.

48. IDBI continued its policy of encouraging technician sponsored projects. It sanctioned assistance to two projects sponsored by technician entrepreneurs—namely (i) Galada Continuous Castings Ltd. and (ii) Paper project of Haryana Coated Papers Ltd.

#### Assistance to Public Sector Projects

49. Direct assistance was provided to 6 projects in the public sector promoted either by the State Governments or by State Industrial Development Corporations. Since August 1970 when the public financial institutions decided to extend direct assistance to incorporated public sector undertakings, the IDBI has provided assistance of Rs. 9·2 crores to 10 projects. Brief details of such projects are given in Table 6.

TABLE 6—IDBI'S DIRECT ASSISTANCE TO PUBLIC SECTOR PROJECTS

Name of the Company	Nature of Project	Product	Location (Dist/State)	Assistance sanctioned (Rs. lakhs)
1. Indo-Nippon Precision Bearings Ltd.	New	Ball bearings, tapered roller and cylindrical roller bearings.	Hyderabad (Andhra Pradesh,	Loan 50.0
2. Traco Cable Co. Ltd.	Diversification Scheme	Power cables—Paper insulated tele-communication cable.	Irimpanam (Kerala)	Loan 50.0
3. NGEF Ltd.	Diversification-com-Balancing Scheme	Electrical equipments — power transformers motors, switchgears and switchboards.	Bangalore (Mysore)	Loan 100.0
4. Travancore Cochin Chemicals Ltd.	Expansion	Caustic Soda, Chlorine and Sodium Sulphate	Ernakulam (Kerala)	Loan 305.0
5. Nagaland Sugar Mill Co. Ltd.	New	Sugar	Kohima (Nagaland)	Loan 50.0
6. Haryana Breweries Ltd.	New	Beer	Murthal (Haryana)	Loan 40.0
7. Punjab Breweries Ltd.	New	Beer	Ludhiana (Punjab)	Loan 35.0
8. Kerala Tourism Development Corporation Ltd.	New	Hotel	Ernakulam (Kerala)	Loan 20.0
9. Chitradurga Copper Co. Ltd.	New	Exploration and processing of Copper Ore	Chitradurga (Mysore)	Loan 50.0
10. Assam Petrochemicals Ltd.	New	Petro-Chemical complex based on natural gas for manufacture of urea, formaldehyde glue and moulding Powder.	Namrup (Assam)	{ Loan Under-Writing 110.0 111.5
			Total	Loan 810.0 Under Writing 111.5

50. It may be significant to note that a sizable portion of IDBI's direct assistance has gone to projects which, though technically in the private sector, have substantial Government/SIDC share participation and/or control in management. Since inception upto the end of June 1973, IDBI has given assistance to 25 such projects in the field of fertilisers, petro-chemicals, paper, iron and steel, sugar, etc. Total assistance sanctioned to those units amounted to Rs. 46.5 crores accounting for 15 per cent of total direct assistance.

51. The details of IDBI's direct financial assistance sanctioned to units covering both public and private sectors during 1972-73 are shown in Annexure II. A complete list of industrial projects to which assistance was sanctioned during the year is given in Annexure III.

#### Category-wise Classification of Direct Assistance

52. Since inception upto the end of June 1973, IDBI has sanctioned direct assistance amounting to Rs 318.5 crores to 216 projects. This constituted 19.4 per cent of the total project cost. A little more than half of the assistance i.e., 50.6 per cent was in respect of 131 new projects while about 36 per cent of the assistance has been made available to 63 units for the purpose of expansion of the capacities and for financing diversification/rehabilitation/modernisation schemes. The balance of 13 per cent was in the form of

supplementary assistance to 58 companies for financing overruns in the cost of projects, or subscription to rights issues made by assisted concerns.

53. It is significant to note that an increasingly large share of IDBI's direct assistance has been for setting up industrial projects in the specified backward districts in the country. During 1972-73 direct assistance in value to units in specified backward districts (both on concessional and normal terms) accounted for about 59 per cent compared to 46 per cent in 1971-72 and 36 per cent in 1970-71. Table 7. The proportion of application from units in backward districts on which assistance was sanctioned also went up from 16.4 per cent in 1971-72 to 32.3 per cent in 1972-73.

TABLE 7—IDBI'S DIRECT ASSISTANCE\* SANCTIONED TO PROJECTS LOCATED IN SPECIFIED BACKWARD DISTRICTS (JULY 1964-JUNE 1973)

(Amount in lakhs Rupees)

(July-June)	Assistance to Specified Backward Districts		All India Assistance		(2) as percentage (4)	(3) as per centage of (5)
	No of applications	Amount	No of applications	Amount		
1	2	3	4	5	6	7
1964-65	.. .. ..	11	147.75	34	2634.53	32.4
1965-66	.. .. ..	4	190.60	42	4907.85	9.5
1966-67	.. .. ..	3	101.00	28	2596.12	10.7
1967-68	.. .. ..	4	59.41	22	577.01	18.2
1968-69	.. .. ..	7	843.65	27	1559.07	25.9
1969-70	.. .. ..	3	525.50	28	1106.46	10.7
1970-71	.. .. ..	7	1703.81	40	4687.02	17.5
1971-72	.. .. ..	9	2947.01	55	6487.73	16.4
	(2)	(1400.00)				
1972-73	.. .. ..	31	3694.92	96	6313.11	32.3
	(21)	(648.50)				
Total	.. .. ..	79	10313.55	3725	31848.90	21.2
	(23)	(2048.50)				

Note: Figures within brackets indicate assistance concessional terms.

\* Comprising loan, underwriting and guarantee.

54. An important feature of the direct lending operations of the IDBI during 1972-73 was the predominance of a large number of comparatively smaller projects which received assistance. As many as 51 out of 63 projects assisted during 1972-73 received assistance upto Rs. 1 crore each and accounted for about 33 per cent of the assistance. Such projects claimed only 14.5 per cent of the total assistance during 1970-71 and 18 per cent during 1971-72. Apparently, assistance by IDBI to smaller projects has been increasing in recent years. Table 8 brings out the size wise classification of IDBI's direct assistance sanctioned during 1972-73 and since inception.

TABLE 8—SIZE-WISE CLASSIFICATION OF DIRECT ASSISTANCE SANCTIONED

Size of assistance	1971-72			1972-73			July 1964 to June 1973		
	No. of Projects	Percen- tage to total assistance	Cumula- tive per- centage	No. of Projects	Percen- tage to Total assistance	Cumula- tive per- centage	No. of projects	Percen- tage to total assistance	Cumula- tive per- centage
1	2	3	4	5	6	7	8	9	10
Upto Rs. 5 lakhs ..	.. ..	1	0.1	0.1	4	7.3	0.3	23	0.3
Rs. 5 lakhs—Rs. 25 lakhs ..	10	3.0	3.1	12	2.9	3.2	44	1.9	2.2
Rs. 25 lakhs—Rs. 50 lakhs ..	7	4.4	7.5	19	12.4	15.6	45	5.7	7.9
Rs. 50 lakhs -- Rs. 100 lakhs ..	10	10.7	18.2	16	17.3	32.9	41	9.5	17.4
Rs. 100 lakhs -- Rs. 200 lakhs ..	3	7.2	25.4	7	15.4	48.3	28	12.5	29.9
Rs. 200 lakhs — Rs. 500 lakhs ..	2	9.7	35.1	4	16.8	65.1	22	21.5	51.4
Above Rs. 500 lakhs ..	3	64.9	100.0	1	34.9	100.0	13	48.6	100.0
Total .. .. ..	36	100.0		63	100.0		216	100.0	
(Amount of assistance Rs. crores)		(64.7)			(63.1)			(318.5)	

55. A size wise classification of the projects assisted by the IDBI indicates that about 81 per cent of the projects assisted during 1972-73 were those which involved investment upto Rs. 5 crores each (Table 9). The corresponding proportion for 1971-72 was 72.

TABLE 9—SIZE-WISE CLASSIFICATION OF PROJECTS ASSISTED BY THE IDBI

Size of project	1971-72				1972-73				July 1964 to June 1973			
	No. of projects	Project Assistance cost (Rs. crores)		Percent- age of 4 to 3	No. of projects	Project Assistance cost (Rs. crores)		Percent- age of 8 to 7	No. of projects*	Project Assistance cost (Rs. crores)		Percent- age of 12 to 11
		sanctioned†	(Rs. crores)		sanctioned†	(Rs. crores)	sanctioned†			(Rs. crores)		
1	2	3	4	5	6	7	8	9	10	11	12	13
Upto Rs. 0·5 crore	—	—	—	—	5 (7·9)	1·7 (0·5)	0·8 (1·3)	47·1 (7·9)	17 (0·4)	6·0 (0·5)	1·7 (0·5)	28·3
Rs. 0·5 crore—Rs. 1 crore	6 (16·7)	4·8 (1·1)	1·2 (1·8)	25·0 (19·1)	12 (3·2)	10·2 (3·5)	2·2 (3·5)	21·8 (15·8)	34 (1·6)	26·6 (2·1)	6·7 (2·1)	25·2
Rs. 1 crore—Rs. 2 crores	8 (22·2)	12·0 (2·9)	2·8 (4·3)	23·3 (20·6)	13 (5·4)	17·5 (10·5)	6·6 (10·5)	37·7 (21·9)	47 (4·1)	68·3 (5·2)	16·4 (5·2)	24·0
Rs. 2 crores—Rs. 5 crores	12 (33·3)	39·1 (9·4)	7·3 (11·3)	18·7 (33·3)	21 (21·2)	68·1 (23·9)	15·1 (23·9)	22·2 (25·1)	54 (10·4)	170·1 (12·4)	39·3 (12·4)	23·1
Rs. 5 crores—Rs. 10 crores	4 (11·1)	34·9 (8·4)	5·6 (8·7)	16·0 (11·1)	7 (15·3)	49·2 (13·8)	8·7 (13·8)	17·7 (14·4)	31 (14·0)	230·3 (17·7)	56·4 (17·7)	24·4
Rs. 10 crores—Rs. 20 crores	2 (5·6)	37·6 (9·0)	17·2 (26·6)	45·7 (3·2)	2 (8·7)	28·1 (3·0)	1·9 (3·0)	6·8 (6·9)	15 (12·2)	199·7 (15·8)	50·3 (15·8)	25·2
Rs. 20 crores—Rs. 50 crores	1 (2·8)	25·8 (6·2)	0·6 (0·9)	2·3 (3·2)	2 (20·0)	64·5 (39·3)	24·8 (39·3)	38·4 (3·3)	7 (13·0)	212·7 (13·3)	42·4 (13·3)	19·9
Above Rs. 50 crores	3 (8·3)	262·5 (63·0)	30·0 (46·4)	11·4 (1·6)	1 (25·7)	82·5 (4·7)	3·0 (4·7)	3·6 (4·7)	10 (44·3)	727·5 (33·0)	105·3 (33·0)	14·5
Total	36 (100·0)	416·7 (100·0)	64·7 (100·0)	15·5 (100·0)	63 (100·0)	321·8 (100·0)	63·1 (100·0)	19·6 (100·0)	215 (100·0)	1641·2 (100·0)	318·5 (100·0)	19·4

Note : Figures in brackets indicate percentages to total.

†Comprising loan, underwriting/direct subscription to shares and debentures and guarantees.

\*Excludes one project for which only guarantee assistance was sanctioned by the IDBI.

#### Project Supervision

56. IDBI continued to exercise supervision over implementation of the projects assisted by it through periodical progress reports, study of their balance sheets and accounts and inspections. During the year under review, 46 assisted projects were inspected by teams of technical and financial officers of IDBI. Besides, a number of assisted projects were visited, with a view to having a summary view based on on-the-spot contacts with the managements of the concerned units and understanding their environments.

57. During the year, 28 additional nominees were appointed by IDBI on the boards of assisted concerns. As at the end of the year, IDBI had nominees on the Boards of 66 companies.

58. A review of the role played by IDBI's nominee-directors has shown that they have generally evinced active interest in the management of the assisted units and have made significant contribution towards improvement of the working of certain units. Some of the nominees were associated as members or otherwise with the functioning of certain special or general Committees constituted by the Boards of the assisted concerns.

59. IDBI, as a part of its supervisory function, continued to exercise check on growth of unhealthy practices in assisted projects, such as appointment of associate concerns as sole selling or purchasing agents, payment of relatively high selling agency commission, payment of guarantee commission to directors, unsound dividend policy, etc.

60. It was mentioned in the last Report that, with the growing number of assisted concerns and the complexity of the task of effective project supervision, it might be necessary to initiate action with regard to the setting up of an effective machinery for the purpose of detailed study and supervision of difficult and complex projects that were likely to face some problems. The need for such supervision, identification of problem areas and finding proper solutions has, with the passage of time, grown in dimension. IDBI is seized of the need for strengthening the existing machinery for supervision of projects and suitable action in this direction has already been initiated. Experience has shown that normally the assisted projects run into difficulty for one or more of the following reasons, namely faulty planning and design, technical deficiencies in operation, slow build-up of market or lack of exploitation of market potential, managerial deficiencies and financial weaknesses. Depending on the nature of deficiency revealed, IDBI has been playing an active role in helping the assisted concerns overcome it, in consultation with the other institutions involving joint financing. Use is being made of consultancy services so that the problem areas can be identified precisely and quickly and steps taken for removing the bottlenecks and remedying the deficiencies. Also, in certain cases, IDBI, in close liaison with other financial institutions, has taken effective steps for either broad-basing the Board of Directors or professionalising the management.

61. It was mentioned in the last Report that three of the assisted concerns which had stopped their manufacturing operations, were being rehabilitated with IDBI's active help. These concerns continued to receive IDBI's special attention and their affairs showed gradual improvement. Efforts were also under way during the year for reviving/rehabilitating two assisted concerns whose manufacturing operations had closed down and another whose unit was on the verge of closure. In one of these cases, IDBI succeeded in strengthening the management of the concern. In another case, where there were dissensions in the Board and a petition for winding up was pending before the Court, IDBI, in association with the other financial institutions concerned, has been striving for an amicable settlement.

#### **Refinance Assistance to State Financial Corporations and Banks**

62. A major item of IDBI's operations is the refinancing of industrial loans provided by banks and State Finance Corporations to small and medium sized enterprises spread all over the country. In recent years, IDBI has taken several measures to widen the scope of its refinance operations and simplified the procedures for sanction of assistance. Bulk of the assistance under this scheme has percolated to the small scale industrial units and small road transport operators.

63. An important development concerning refinance of industrial loans is the recent amendment to the IDBI Act which will enable IDBI to refinance SFC loans for setting up industrial estates and for repair and service workshops as also to concerns engaged in fishing and/or providing shore facilities for fishing. Another significant development is the sanction by the International Development Association (IDA), an affiliate of the World Bank, of a credit of \$25 million to the Government of India, the rupee equivalent of which will be available to the IDBI for refinancing loans given by the SFCs to small and medium sized industrial units for financing the import of equipment and/or technical knowhow from abroad. This credit is linked with a programme for strengthening the effectiveness of SFC functioning. The mechanism of operation and procedure for availment of assistance under the credit are outlined in the next Section. In February 1973, IDBI modified the scheme of concessional refinance assistance in line with the increase in the statutory limit on SFC assistance to companies and co-operative societies. IDBI now extends concessional refinance assistance to the full extent up to Rs. 30 lakhs against SFC loans to units located in backward districts, as against Rs. 20 lakhs previously. IDBI has also decided during the year to provide refinance on softer terms to projects in the small scale sector promoted by self-employed technician entrepreneurs. Effective January 20, 1973, refinance in respect of SFC loans upto Rs. 2 lakhs under the technician-assistance schemes provided at concessional rate although these loans are not covered under the Credit Guarantee Scheme for small scale industry. As a result of the policy objective to promote the development of the small scale sector of industry under the Five Year Plans and because of the liberalisations effected in the scheme for refinancing of loans from time to time, the number of applications received for refinance has increased substantially. In order to ensure quick disposal of the applications, further delegations of powers for sanction of refinance have been made.

#### **Magnitude of Refinance Assistance**

64. IDBI's operations under the refinance scheme during 1972-73 showed a marked rise both in respect of number of applications and the amount of assistance sanctioned, the former rising from 1733 to 2407 and the latter from Rs. 27.5 crores to Rs. 33.3 crores (Table 10). Utilisation of assistance also increased from Rs. 24.0 crores to Rs. 25.0 crores.

#### **Institution-wise Classification of Assistance Sanctioned**

65. The institution-wise break-down of refinance assistance shown in Table 11 brings out a further decline in the magnitude of assistance availed of by commercial banks. Refinance sanctioned to commercial banks which accounted for about 83 per cent of the total refinance in 1964-65 has gradually declined and accounted for only 18 percent in 1971-72. Owing to the comfortable funds position of the commercial banks, their draft on IDBI's refinance has further declined to a mere 8 per cent in 1972-73. On the other hand, the share of SFCs has shown a marked rise consistent with the increase in their scale of operations. Refinance to SFCs in 1972-73 accounted for 92 per cent of the total refinance sanctioned by the IDBI. It is likely that the magnitude of refinance to SFCs will increase further in future with the operation of the IDA credit and the recent amendments to the SFCs Act.

TABLE 10—REFINANCE OF INDUSTRIAL LOANS

(Amount in crores of rupees)

	1971-72 (July-June)		1972-73 (July-June)	
	No.	Amount	No.	Amount
1. Applications received	2775	49.3	3463	61.5
2. Applications sanctioned*	2194	32.2	2517	35.3
3. Applications pending consideration (end of period)	550	21.6	708	27.1
4. Net effective sanctions	1733	27.5	2407	33.3
5. Refinance utilised		24.0		25.0
6. Repayment of refinance		16.4		18.0
7. Applications rejected/withdrawn/returned		10.2		20.7
8. Amount outstanding (end of period)		73.9		80.9
9. Unutilised sanctions (end of period)		20.8		25.0

\*Gross sanctions.

TABLE 11—INSTITUTION-WISE BREAK-DOWN OF INDUSTRIAL LOANS REFINANCED  
(In crores of rupees)

	1971-72		1972-73	
	Amount sanctioned*	Amount utilised	Amount sanctioned*	Amount utilised
Commercial Banks	5.9 (18.3)	7.0 (29.2)	2.8 (8.0)	3.9 (15.6)
State Co-operative Banks	—	—	—	—
State Financial Corporations	26.3 (81.7)	17.0 (70.8)	32.5 (92.0)	22.1 (84.4)
	32.2	24.0	35.3	25.0

Note: Figures in brackets indicate percentages to total.

\*Gross sanctions.

#### Assistance to Small-scale and Transport Sectors

66. About 96 per cent of the applications sanctioned during the year was in respect of small scale industries and small road transport operators. The proportion of refinance assistance (in value) sanctioned in respect of these units in the total refinance (effective) has been stepped up from 56 per cent in 1970-71 to 67 per cent in 1971-72 and further to 76 per cent in 1972-73. Quantum of refinance assistance to these two sectors recorded an increase of 37 per cent from Rs. 18.5 crores in 1971-72 to Rs. 25.4 crores in 1972-73. There has also been a progressively wider geographical dispersal of this assistance in the past few years, the number of districts covered having increased from 152 in 1970-71 to 219 in 1972-73 (Table 12).

#### Size-wise Classification of Refinance Assistance

67. The size-wise classification of refinance assistance sanctioned during 1972-73 is given in Table 13. The average size of refinance per case has decreased from Rs. 1.47 lakhs in 1971-72 to Rs. 1.40 lakhs in 1972-73. The data indicate that the proportion of refinance assistance upto Rs. 5 lakhs to total refinance assistance, has increased from 54.8 per cent in 1970-71 to 62.9 per cent in 1971-72 and further to 69.8 per cent in 1972-73. As in the case of direct assistance, this indicates how the refinance assistance is percolating to smaller units at an increasing rate in recent years.

TABLE 12—REFINANCE OF LOANS TO SMALL-SCALE INDUSTRIES AND SMALL ROAD TRANSPORT OPERATORS

		1970-71	1971-72	1972-73
<b>A. Small Scale Industries</b>				
Number of districts covered		152	198	219
Refinance sanctioned—				
No. of applications		694	974	1671
Amount (Rs. lakhs)		1081	1547	2198
<b>B. Small Road Transport Operators</b>				
Number of districts covered		96	75	92
Refinance sanctioned—				
No. of applications		579	647	639
Amount (Rs. lakhs)		267	305	343
<b>C. Total Refinance Sanctioned</b>	(A+B)			
Number of applications		1273	1621	2310
Amount (Rs. lakhs)		1348	1852	2541

TABLE 13—SIZE-WISE CLASSIFICATION OF REFINANCE OF INDUSTRIAL LOANS SANCTIONED\* DURING 1972-73

(Percentage to total amount)

Size of refinance assistance	1971-72	Cumulative Percentage	1972-73	Cumulative percentage
			4	
1	22.8	22.8	22.4	22.4
Less than Rs. 1 lakhs	22.8	22.8	22.4	22.4
Rs. 1 lakh to Rs. 2 lakhs	14.6	37.4	25.1	47.5
3—349 GI/73				

1	2	3	4	5
Rs. 2 lakhs to Rs. 5 lakhs . . . . .	25.5	62.9	22.3	69.8
Rs. 5 lakhs to Rs. 10 lakhs . . . . .	21.1	84.0	17.2	87.0
Rs. 10 lakhs to Rs. 25 lakhs . . . . .	13.8	97.8	11.3	98.3
Rs. 25 lakhs to Rs. 50 lakhs . . . . .	2.2	100.0	1.7	100.0
	100.0		100.0	
(Amount of assistance—Rs. crores) . . . . .	(32.2)		(35.3)	

\*Gross sanctions.

TABLE 14—SIZE-WISE AND PERIOD-WISE DISTRIBUTION OF REFINANCE ASSISTANCE (INDUSTRIAL LOANS)  
SANCTIONED (GROSS) DURING 1971-72 AND 1972-73

(Rs. in lakhs)

Size/Period	1971-72						1972-73				
	Less than 5 years	5 years and above	7 years and above	10 years and above	Total	Less than 5 years	5 years and above	7 years and above	10 years and above	Total	
	years	years	years	years		years	years	years	years		
1	2	3	4	5	6	7	8	9	10	11	
Rs. 10,000 to Rs. 99,999 . . . . .	471.7 (955)	41.1 (78)	103.3 (212)	118.5 (207)	734.6 (1452)	383.9 (714)	91.7 (190)	191.0 (373)	122.8 (218)	789.4 (1495)	
Rs. 1 lakh and above but less than Rs. 2 lakhs . . . . .	20.8 (17)	25.5 (19)	126.3 (89)	298.1 (205)	470.7 (330)	23.9 (20)	119.1 (85)	389.0 (272)	354.2 (242)	886.2 (619)	
Rs. 2 lakhs and above but less than Rs. 5 lakhs . . . . .	3.0 (1)	49.8 (16)	239.0 (80)	529.2 (183)	821.0 (280)	16.9 (6)	110.2 (40)	375.7 (132)	284.9 (103)	787.7 (281)	
Rs. 5 lakhs and above but less than Rs. 10 lakhs . . . . .	25.3 (4)	51.2 (8)	203.6 (30)	400.0 (60)	680.1 (102)	20.6 (3)	73.0 (9)	219.6 (36)	294.9 (43)	608.1 (91)	
Rs. 10 lakhs and above but less than Rs. 25 lakhs . . . . .	16.0 (1)	82.5 (5)	172.3 (10)	174.5 (12)	445.3 (28)	—	57.6 (4)	210.6 (15)	103.3 (10)	398.5 (29)	
Rs. 25 lakhs and above but less than Rs. 50 lakhs . . . . .	—	—	68.0 (2)	—	68.0 (2)	28.0 (1)	—	28.0 (1)	—	56.0 (2)	
Rs. 50 lakhs and above . . . . .	—	—	—	—	—	—	—	—	—	—	
Total	536.8 (978)	250.1 (126)	912.5 (423)	1520.3 (667)	3219.7 (2194)	473.3 (744)	451.6 (328)	1413.9 (829)	1187.1 (616)	3525.9 (2517)	

Note : Figures in brackets indicate number of sanctions.

68. A period-wise analysis of refinance sanctioned to industrial units during 1972-73 shows that nearly 53 per cent of the amount sanctioned was for periods ranging between 5 and 10 years as compared to 36 per cent in 1971-72. Sanctions for periods of 10 years and above have declined over the year from 47 per cent to 34 per cent. In respect of sanctions for periods of less than 5 years also, the proportion has declined from 17 per cent to 13 per cent (Table 14).

#### REDISCOUNTING ASSISTANCE

##### Nature of Rediscount Assistance

69. IDBI's scheme for rediscounting of bills/promissory notes, covering sales of indigenous machinery on deferred payment basis, covers machinery-manufacturing industries, both in the public and private sectors. The IDBI's rediscounting rates, which were revised in June 1973, are 6.5 per cent or 7 per cent, depending on the unexpired usance of the bills. The discounting bank is allowed a spread of 1 per cent above the corresponding rate. The cost to the ultimate purchaser-user works out within a range of 10.7 to 10.9 per cent inclusive of stamp duty and guarantee commission.

70. The scheme has been kept continuously under review and modifications have been introduced from time to time to meet the needs of the manufacturers and purchaser-users of machinery. An important change made during the year was the raising of maximum limit (inclusive of interest) from Rs. 1 crore to Rs. 2 crores\* for State Electricity Boards during a limit year. @ This will facilitate the State Electricity Boards in meeting the increasing requirements of funds for financing capital expenditure.

71. The scheme for rediscounting facilities covering sales of motor vehicles to road transport operators in the private sector on a hire-purchase basis which was introduced in September 1967, has been discontinued from July 28, 1972. This scheme which was intended to facilitate sale of motor vehicles on hire-purchase basis failed to evoke sufficient interest and the facilities offered were hardly utilised. Facilities under the existing scheme could, however, be availed of by road transport operators in respect of their purchases of commercial motor vehicles on deferred payments basis.

#### Magnitude of Rediscounting Assistance

72. The Rediscounting Scheme with its simple mechanism of operation has gathered further momentum during the year. Assistance under the scheme has gone up progressively from Rs. 2·2 crores in 1965-66 to Rs. 45·3 crores in 1971-72 and to Rs. 49·8 crores in 1972-73. Total assistance upto the end of June 1973 amounted to Rs. 185 crores, benefiting in all 361 machinery manufacturers and 1659 purchaserusers of machinery.

73. Besides the traditional industries such as textiles including jute, which have made use of the facilities under the scheme on a large scale for financing expansion/modernisation of their equipment, purchaser-users in transport, engineering and electrical machinery industries have availed of the facilities to a substantial extent in recent years. Assistance to purchaser-users such as State Electricity Boards, State Road Transport Corporations and other companies in the public sector during 1972-73 amounted to Rs. 11·2 crores compared to Rs. 9·5 crores in the previous year. Total assistance to public sector purchaser-users amounted to Rs. 26·1 crores since the extension of the Scheme to this sector in January 1969.

74. During 1972-73, bills of the face value of Rs. 12·7 lakhs arising out of sale of glass making machinery which was used for equity participation by an Indian entrepreneur in a joint venture project in Malaysia, were re-discounted. IDBI also agreed to extend assistance under the scheme to two entrepreneurs who could export machinery to Malaysia of the value of Rs. 71·2 lakhs and Rs. 10 lakhs, respectively against equity participation in projects to be set up in that country.

75. An industry-wise breakdown of the purchaser-users of machinery is given in Table 15. It will be observed that the cotton textile industry continues to avail of the facilities to a substantial extent for purposes of modernisation/rehabilitation.

TABLE 15—INDUSTRY-WISE BREAKDOWN OF REDISCOUNT ASSISTANCE DURING 1972-73 AND 1965-73  
(Percentage to total assistance)

Purchaser-user industry	Bills rediscounted (face value)		
	1971-72	1972-73 April 1965 to June 1973	
1. Agro Industries . . . . .	0·1	0·7	0·5
2. Cement . . . . .	0·01	1·8	1·5
3. Textiles (other than jute) . . . . .	49·0	46·2	53·3
4. Jute . . . . .	0·3	0·1	1·9
5. Mining . . . . .	7·2	2·2	3·7
6. Paper . . . . .	—	0·2	0·8
7. Sugar . . . . .	2·3	2·8	3·7
8. Oil (solvent extraction plants) . . . . .	2·4	1·3	3·0
9. Electrical Machinery . . . . .	15·6	14·9	9·1
10. Glass . . . . .	0·1	0·5	0·2
11. Film . . . . .	0·1	0·3	0·2
12. Plastics . . . . .	1·4	1·4	1·2
13. Transport (including automobile engineering) . . . . .	8·0	11·4	6·4
14. Engineering . . . . .	10·5	14·0	12·8
15. Others . . . . .	3·0	2·2	1·7
Total . . . . .	100·0	100·0	100·0
(Amount of assistance Rs. crores)	(45·3)	(49·8)	(185·0)

#### Subscriptions to Shares and Bonds of other Financial Institutions

76. During 1972-73, IDBI, as a purveyor of supplementary resources to other financial institutions subscribed Rs. 110 lakhs to the private issues of additional share capital of Delhi, Gujarat and Maharashtra State Financial Corporations, there being no public issue of share capital by any of the SFCs during the year. Although 13 SFCs floated bonds in the market during 1972-73 for an aggregate amount of Rs. 16·1 crores, these were closed without resorting to IDBI's help. Since inception, IDBI has subscribed Rs. 5·3 crores (face value) to bond issues and Rs. 3·6 crores to share capital issues of SFCs. IDBI contributed Rs. 41·3 lakhs to the share capital of the Industrial Finance Corporation of India; this represented 50 per cent of the increase in its paid-up capital during the year. The IDBI now holds Rs. 5·0 crores in the share capital of the IFCI, representing 50 per cent of its paid-up capital of Rs. 10 crores. During the year, the IDBI also contributed Rs. 1·3 crores to the fourth public issue of debentures by the Industrial Credit and Investment Corporation of India

Ltd. (ICICI) bringing the total IDBI's contribution to ICICI's public and special debentures to Rs. 19·7 crores as of June 1973. With repayment of Rs. 1·6 crores, being the instalments of loans taken by ICICI in 1966-67 and 1967-68, IDBI's holdings of ICICI debentures amounted to Rs. 18·1 crores at the end of June 1973.

77. IDBI holds 50 per cent of the paid-up capital of Rs. 5·0 crores of the Industrial Re-construction Corporation of India Ltd. (IRCI)\*. IDBI's share holding in Kerala Industrial and Technical Consultancy Organisation Ltd. (KITCO) remained unchanged at Rs. 1·02 lakhs, representing 51 per cent of its paid-up capital of Rs. 2 lakhs.

### EXPORT ASSISTANCE

#### Nature and Magnitude of Assistance

78. IDBI assists the exports of engineering and capital goods on deferred credit terms by providing finance under its two schemes, viz., (i) refinancing of medium-term export credits granted by eligible banks to exporters of engineering goods and services and (ii) direct loans and guarantees for such exports in participation with approved commercial banks. The result of the operations under the two schemes during 1971-72 and 1972-73 are summarised in Table 16.

\*Excluding 5 per cent subscribed by IDBI on behalf of the IFCI in 1970-71 and 1971-72 pending an amendment to the Industrial Finance Corporation Act. With the recent amendment to the IFC Act, these shares will now be transferred to the IFCI.

TABLE 16—IDBI'S ASSISTANCE FOR EXPORTS

(Rs. in crores)

	1971-72		1972-73		Since inception in July 1964 to June 1973	
	Sanctions	Utilisation	Sanctions	Utilisation	Sanctions	Utilisation
A. Direct Export Loans . . . .	19·3	10·2	2·7	3·9	51·1	29·0
B. Refinance of Export Credits . . . .	3·3	4·8	0·1	2·2	27·4	23·6
C. Guarantees . . . .	0·1	0·1*	—	0·1*	1·8	1·8*
Total (A+B+C) . . . .	22·7	15·1	2·8	6·2	80·3	54·4

\*Guarantees executed.

79. During the year, the EDI sanctioned 6 post-shipment loans totalling Rs. 2·7 crores under the participation scheme in respect of exports of textile machinery and spares, steel material for civil construction work, sugar mill machinery and rails (Annexure IV). The IDBI's assistance formed generally about 50 per cent of the total post-shipment term credits extended for these export transactions and the balance came from commercial banks. Further, proposals in respect of which IDBI has agreed in principle to provide finance under both the schemes involved exports of the value of Rs. 28·13 crores.

80. The magnitude of term export credits sanctioned during the year under the two schemes viz., direct participation and refinance, operated by IDBI was low compared to that in 1971-72. Although total engineering exports from India during the fiscal year 1972-73 have shown an upward trend, it would appear that exports of high value plant and machinery sold on deferred credit terms were less than those of the previous year. It would appear that during 1972-73, the value of fresh contracts secured for the supply of engineering goods on credit terms had declined compared to the previous year. Some of the factors responsible for this situation were uncertainties prevailing on the international monetary scene, the non-availability of suitable long-term exchange risk cover, the suspension of fresh contracts with some countries on deferred credit terms and non-availability of raw materials, power, etc. in time. Further, in respect of some contracts particularly in regard to wagons, the non-completion of certain important formalities like arranging for security prevented the prospective exporters from applying for finance before the end of the year.

81. The outlook for 1973-74 appears to be bright. Certain big contracts for the supply of textile, sugar mill machinery, boilers, etc. have successfully been negotiated. Also some more contracts of high value are in a fairly advanced stage of negotiation. It is, therefore, expected that exports of engineering goods of high value on term credit basis will pick up in 1973-74 leading to higher sanctions of term finance during that year.

82. Since inception upto the end of June 1973, the IDBI has sanctioned export finance (excluding guarantees) of the order of Rs. 78·5 crores constituting 57 per cent of the value of term export orders financed by IDBI under its export finance schemes. The various types of engineering goods exports financed by the IDBI include steel rails and bars, railway wagons transmission line towers and conductors, textile machinery, auto-mobiles and spares, sugar mill machinery diesel engines, etc. A country-wise and commodity-wise classification of IDBI's export assistance since inception upto the end of June 1973 is given in Annexure V.

83. The magnitude of assistance sanctioned by IDBI under the export finance schemes does not completely reflect the important role being played by the Bank in the promotion of exports of engineering goods and services. In recent months, IDBI has been increasingly called upon to advise exporters on various problems relating to the financial aspects of the bids submitted abroad and the financial implications of export contracts. IDBI actively assists the exporters in carrying out negotiations with the importers abroad. The Export Department has also taken lead in organising consortium finance by banks and the IDBI for large export contracts.

#### Export Promotion and Counselling

84. The Informal Consultative Group and the *Ad hoc* Working Groups constituted by the IDBI for assisting in the formulation of broad policies in the field of term export financing and for providing guidance to exporters who approach the IDBI and the banks for term finance have proved useful in facilitating decision-making with regard to applications for assistance. Of the four Sub-Groups set

up by the Consultative Group and referred to in the last Report, the Sub-Group on the "Appraisal Criteria for Export Credit" has since submitted its report.

85. Further, steps have already been taken to implement the recommendations of the Sub-Group on Buyer's Credit. The Consultative group met during the year and discussed recent developments affecting exports on deferred payment basis and export term credits. During the year, IDBI has developed the machinery for counselling service, so much so, that it is now being regularly utilised by the Government, Indian delegations going broad and various exporters. As this is one of the main functions of an Export Bank, the Export Department is trying to improve these services further.

86. As a follow-up action on the recommendations of the Sub-Group on buyer's credit and with a view to promoting exports effectively certain amendments to the IDBI Act have been carried through in December 1972. These are mentioned in para 105.

87. As a result of the amendments, IDBI is empowered to grant credits directly to foreign importers under the buyer's credit system of financing in connection with exports of capital goods from India. IDBI expects to introduce the buyer's credit scheme shortly after finalisation of certain operational matters.

88. With a view to sharing the ideas and experience in the field of term export financing and in order to discuss the techniques and procedures adopted, IDBI had conducted a series of Export Finance Seminars in 1971. As the response was encouraging, it was decided to organise a second series of such one-day seminars. Seminars have already been held in April and June 1973 at Bombay and Madras, respectively. Seminars at Calcutta and New Delhi will be arranged shortly.

#### Industry-Wise Analysis Of Idbi's Assistance

89. An industry-wise break-down of IDBI's total assistance to industrial projects during 1972-73 and since inception upto the end of June 1973 is shown in Table 17. (Also see Annexure VI). A substantial portion of the assistance sanctioned during the year was in respect of basic metal industries such as iron and steel and non-ferrous metals and manufacture of machinery. About 80 percent of IDBI's assistance since inception has been in respect of core and priority industries like basic industrial chemicals including fertilisers, other chemical products, paper, cement, basic metals and machinery manufacture.

TABLE 17—INDUSTRY-WISE CLASSIFICATION OF ASSISTANCE\* SANCTIONED AND UTILISED DURING 1972-73 AND SINCE INCEPTION IN JULY 1964 TO JUNE 1973

(Percentage to total assistance)

		1972-73		July 1964—June 1973	
		Sanctions	Utilisation	Sanctions	Utilisation
1. Food Manufacturing except beverages	.	5·5	3·0	2·9	2·7
2. Textiles (including Jute)	.	4·2	2·2	6·4	8·3
3. Paper and Paper Products	.	1·2	6·8	4·3	3·2
4. Manufacture of Rubber Products	.	0·7	1·0	0·9	0·6
5. Basic Industrial Chemicals other than fertilisers	.	3·6	0·4	6·1	5·6
6. Other Chemicals and Chemical Products	.	2·5	4·4	4·4	4·9
7. Fertilisers	.	2·2	11·6	11·1	9·6
8. Cement	.	2·5	0·1	2·3	2·2
9. Basic Metal Industries—					
(a) Iron & Steel Basic Industries	.	21·5	8·0	13·0	8·3
(b) Non-ferrous Metal Basic Industries	.	0·5	0·2	1·6	1·1
10. Metal Products except machinery and transport equipment	.	2·8	2·3	1·7	1·8
11. Manufacture of Machinery except electrical machinery	.	36·2	45·5	32·0	37·8
12. Manufacture of Electrical Machinery, Apparatus, etc.	.	1·7	5·2	4·9	5·5
13. Manufacture of Transport Equipment	.	2·2	1·3	1·3	1·2
14. Services (of which to road transport)	.	4·3 (2·3)	3·9 (2·8)	2·5 (1·6)	2·6 (1·9)
15. Others	.	8·4	4·1	4·6	4·4
Total	.	100·0	100·0	100·0	100·0
(Amount of Assistance : Rs. crores)	.	(148·8)	(103·8)	(736·2)	(528·4)

\*Comprising direct Loans to industrial concerns, loans for exports, underwriting and direct subscriptions, refinance and rediscounts.

#### State-wise Distribution of Assistance

90. The state-wise distribution of IDBI's total assistance during 1972-73 and since inception up to the end of June 1973 shown in Annexures VII and VIII. It is significant to note that about 59 per cent of IDBI's direct assistance sanctioned during the year (on concessional and normal terms) was in respect of industrial concerns located in backward districts specified by the Planning Commission; the corresponding proportion in 1971-72 was 46 per cent. It is also of significance that for the first time since inception, IDBI's assistance has gone to Nagaland, one of the most backward States in the country. In respect of refinance, the proportion of assistance to States/Union Territories demarcated as backward areas by the Pande Committee\*\* rose from 24 per cent in 1970-71 to 28 per cent in 1971-72 and further to 33 per cent in 1972-73. IDBI's total assistance sanctioned to the relatively under-developed States/Union Territories\*\*, amounted to roughly 25 per cent of the total assistance sanctioned during the period 1964-65 to 1972-73.

\*\*Namely, States of Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Meghalaya, Manipur, Nagaland, Orissa, Rajasthan, Tripura, Uttar Pradesh and all the Union Territories except Chandigarh, Delhi and Pondicherry.

**IDBI Assistance to Specified Backward Districts on Concessional Terms**

91. With a view to accelerating the pace of industrialisation of the specified backward areas of the country, the IDBI has been operating two schemes of concessional finance—the first is to provide concessional refinance to SFCs/banks in respect of eligible loans upto Rs. 20 lakhs to small and medium sized projects in the specified backward districts and the second relates to direct assistance on concessional terms to new and expansion projects in specified backward districts. Concessions under the direct finance scheme were available to projects where the total projects cost did not exceed Rs. 1 crore. It has been represented to IDBI as also to other financial institutions from time to time that in many industrial sectors, because of technological and other factors, the minimum economic size of the project may involve capital cost of over Rs. 3 crores. Further, establishment of bigger projects in backward areas will, through its direct and indirect effects, contribute substantially to the industrial development of such areas. Having in view these factors, IDBI made certain modifications in the concessional assistance schemes during 1972-73.

92. Direct concessional assistance scheme, in participation with IFCI and ICICI, now provides for grant of rupee loan assistance up to Rs. 2 crores and underwriting assistance up to Rs. 1 crore to new concerns setting up projects in specified backward districts irrespective of the size of the project cost. The assistance in excess of the above ceiling would generally be extended on normal terms though exceptions may be made in special circumstances on the merits of a case.

93. Concessional finance for expansion/diversification projects in specified backward districts undertaken by existing concerns would be considered on selective basis, keeping in view the profitability potential of the existing and the proposed new projects, location of new projects and other related factors.

94. With the amendments made to the SFCs Act in respect of the statutory ceiling on the assistance to companies and co-operative societies and the size of the concerns seeking SFC assistance, the concessional refinance scheme has been liberalised effective February 22, 1973. IDBI now extends concessional refinance to the full extent in respect of eligible loans of SFCs and banks upto Rs. 30 lakhs to small and medium-sized projects in the specified backward districts provided the paid-up capital and reserves of the recipient unit do not exceed Rs. 1 crore. In cases where the size of the bank loan exceeds Rs. 30 lakhs, refinance to the full extent on concessional terms would apply only to the extent of Rs. 30 lakhs, in respect of the remaining portion of loan, if any, refinance would be allowed to the extent of 80 per cent and normal rate of interest and other terms apply. This criterion applies both to new projects and existing units embarking on expansion in capacity and modernisation.

95. The progress in the sanction of assistance to units in specified backward districts on concessional terms and utilisation thereof is given in Table 18.

96. There has been a marked increase in the number of applications on which assistance was sanctioned on concessional terms. The number of backward districts covered also rose from 16 in 1970-71 to 137 in 1972-73. Since the introduction of the scheme of concessional finance in 1970 up to the end of June 1973, assistance sanctioned on concessional terms amounted to Rs. 32.4 crores in respect of 863 applications.

**TABLE 18—ASSISTANCE SANCTIONED BY THE IDBI ON CONCESSATIONAL TERMS TO UNITS IN SPECIFIED BACKWARD DISTRICTS AND ITS UTILISATION**

(Amount in crores of rupees)

	1970-71			1971-72			1972-73			Total		
	Number		Amount	Number		Amount	Number		Amount	Number		Amount
	Dis- tricts	Appli- cations		Dis- tricts	Appli- cations		Dis- tricts	Appli- cations		of appli- cations		
<b>A. Direct Assistance:</b>												
Sanctions . . . . .	—	—	—	2	2	14.0	11	21	6.5	23	20.5	
Utilisation . . . . .			—			—			4.1		4.1	
<b>B. Refinance of Industrial Loans:</b>												
Sanctions . . . . .	16	22	0.3	92	253	3.5	134	565	8.1	840	11.9	
Utilisation . . . . .			0.1			1.5			4.4		6.0	
<b>Total of (A+B):</b>												
Sanctions . . . . .	16	22	0.3	93	255	17.5	137	586	14.6	863	32.4	
Utilisation . . . . .			0.1			1.5			8.5		10.1	

97. While the foregoing paras give details regarding assistance on concessional terms to projects in specified backward districts, the total assistance sanctioned during 1972-73 by way of direct finance and refinance to projects in backward districts/areas (both on concessional terms and normal terms) was about Rs. 48 crores, which formed about 50 per cent of the direct and refinance assistance sanctioned in 1972-73.

**Other Developments**

98. The operations of the IDBI during 1972-73 having been reviewed, some important developments which will have an effect on such operations may be mentioned here. These relate to revision in the structure of interest rates, amendments to the Industrial Development Bank of India Act, 1964 and constitution of a Central Co-ordination Committee of all-India Financial Institutions and the Government.

**IDBI Structure of Interest Rates**

99. The interest rate structure of the IDBI which has been under review for some time, was revised by 1/2-1 per cent effective June 16, 1973. This was necessitated on account of an increase in the rate on borrowings from the Reserve Bank on the one hand and the increase in the concessional lending on the other, reducing the income spread available to the IDBI. In revising the rates, care was taken to maintain unchanged the rates on export assistance and refinance of industrial loans to borrowers of amounts upto Rs. 25,000. The concessional rate of 6 per cent applicable to refinance of industrial loans sanctioned by the primary lender at a rate of 8·75 per cent was abolished. The three-tier rate structure under the rediscounting scheme was replaced by a two-tier one.

100. The normal direct lending rate has been raised from 8·5 per cent to 9 per cent and the concessional lending rate to eligible units in specified backward districts from 7 per cent to 7·5 per cent.

101. In respect of refinance, the general rate has been retained unchanged at 7 per cent with a ceiling of 10·5 per cent on the rate to be charged by the primary lenders. The special concessional rate for small-scale industrial units covered under the Credit Guarantee Scheme remains unchanged at 5 per cent (with a ceiling on the rate of financial institutions of 8·5 per cent) for loan assistance upto Rs. 25,000. The rate is raised to 5·5 per cent (with a ceiling on the rate of financial institutions of 9 per cent) for loan assistance in excess of Rs. 25,000. The concessional refinance rate for loan assistance to eligible industrial units in specified backward districts has been stepped up from 3·5 per cent to 4 per cent (with the ceiling rate of primary lenders correspondingly going up to 7·5 per cent).

102. The revised structure of rates is set out in Table 19.

TABLE 19—IDBI'S STRUCTURE OF INTEREST RATES

(per cent per annum)

	Rate prevailing before 16th June 1973		Revised rate effective from 16th June 1973	
	IDBI Rate	Ceiling on primary lenders' Rate	IDBI Rate	Ceiling on primary lenders' Rate
<b>1. Direct Assistance to Industrial Concerns (other than for exports)</b>				
(a) Normal rate . . . . .	8·50		9·00	
(b) Concessional rate to units in backward areas . . . . .	7·00		7·50	
<b>2. Refinance of Industrial Loans</b>				
(a) Normal rate . . . . .	6·75	10·25	Abolished	
	7·00	10·50	7·00	10·50 (No change)
(b) Concessional rate . . . . .	6·00	8·75	Abolished	
(c) Special rate for small-scale industrial units covered under the Credit Guarantee Scheme . . . . .	5·00	8·50	5·00 (For Rs. 25,000) 5·50 (On assistance in excess of Rs. 25,000)	8·50 upto 9·00
(d) Special rate for units in specified backward districts . . . . .	3·50	7·00	4·00	7·50
<b>3. Rediscounting of Machinery Bills—</b>				
Unexpired usance of bills/promissory notes . . . . .				
(a) 6 to 36 months . . . . .	6·00	7·00	7·00	8·00
(b) Over 36 months and upto 60 months . . . . .	5·50	6·50	6·50	7·50
(c) Over 60 months and upto 84 months . . . . .	5·00	6·00		
<b>4. Export Credit</b>				
(a) Refinance against medium-term export credits . . . . .	4·50	6·00	4·50	6·00 (No change)
(b) Participation export finance . . . . .			The rate on IDBI's portion of the credit is such that after taking into account the participating bank's rate, the average rate to the exporter on the entire credit is generally 5·5 per cent.	

**Amendments to the Industrial Development Bank of India Act, 1964.**

103. An important development during the year was the amendment to the Industrial Development Bank of India Act, 1964. The effects of the more important of the amendments are detailed in the following paragraphs.

104. Scope of the definition of an industrial concern has been widened so as to include concerns engaged in the maintenance, repair, testing or servicing of machinery, vehicles, vessels, motor boats, trailers or tractors as also concerns engaged in fishing. This amendment brings within the purview of IDBI's assistance, small units engaged in the above activities. Another amendment empowers IDBI to extend refinance facilities to SFCs and banks who provide assistance for setting up industrial estates, thus enabling it to enlarge its role in the development of small scale industrial units.

105. In the field of export assistance, the IDBI, as a result of the amendments, will be able to :

(i) provide direct export finance

(a) to export houses or any person exporting products of industrial concerns even though the exporter may not be an industrial concern, and

(b) to any person in India for the execution of turn-key projects outside India;

(ii) extend credits directly to foreign buyers of Indian engineering goods;

(iii) offer lines of credit to foreign financial institutions to be utilised for imports of capital goods from India; and

(iv) extend refinance of term export credits granted by eligible institutions to export houses engaged in exporting products manufactured by other concerns and to Indian residents executing turn-key projects outside India.

The period of export credit refinance has been raised from 10 to 15 years in respect of persons in India.

106. Another amendment relates to the provision of rediscounting facilities to stockists and selling agents in regard to sale of indigenous machinery on deferred payment basis to purchaser-user industries.

107. IDBI has also been empowered to subscribe to shares, bonds and debentures of financial institutions outside India. This amendment would enable the IDBI to assist in the setting up of development finance institutions in developing countries.

108. The power to nominate directors on the Boards of assisted companies has been made independent of any restrictions contained in any other law. The apportionment of loss/gain arising from fluctuations in the rates of exchange, between the borrower and IDBI/Government, etc, has been secured by one of the amendments.

#### **Constitution of Central Co-ordination Committee**

109. The channels of communication between the all-India financial institutions and the Government have been strengthened with the formation in 1972 of a Co-ordination Committee under the Chairmanship of the Governor, Reserve Bank of India. This Committee, comprising heads of all-India Public Financial Institutions and Secretaries to the Government of India in the Ministries of Finance, Industry, Company Affairs and the Planning Commission, exchanges views on important policy matters relating to industrial development and finance, changes in statute affecting the industrial and investment climate and other allied issues. The Committee has so far met twice, in August 1972 and March 1973 and discussed various issues concerning the role of financial institutions vis-a-vis the concept of joint sector, its implications on the scheme of institutional assistance, etc. In the light of the observations made in the Co-ordination Committee, guidelines to institutional directors on the assisted companies have been finalised in consultation with other institutions. The Co-ordination Committee has proved useful in providing the institutions a continuing link with the Government at a high level.

#### **IDA Credit For Small and Medium Projects Financed By SFCs/ Refinanced By the IDBI**

110. Under the existing institutional arrangements IDBI's assistance to small industrial units is channelled mostly through the SFCs, whose loans to these units are refinanced by the IDBI. While this met their rupee finance requirements, they had to go elsewhere for the foreign exchange required for purchasing capital equipments from abroad. It was felt that if the same institution could meet both the rupee and foreign currency needs of these units, it would result in a considerable saving of time and effort. The IBRD (World Bank) was, therefore, approached for a line of credit to IDBI for meeting the foreign exchange needs of the small and medium sectors of industry through the intermediary of SFCs which are playing an increasing important role in the development of small and medium sectors.

111. The World Bank Group showed interest in making funds available for onlending to SFCs and indicated their willingness to consider a line of credit from International Development Association (IDA). The IDA has several objectives in taking interest in such a programme; the World Bank Group would be embarking on a new activity in India; it would reach industrial firms smaller than those that have hitherto been financed out of their line of credits; such an approach would ensure a wider geographical distribution of World Bank Group's funds in the manufacturing sector and it would give an opportunity for putting through a programme of stepping up the operational efficiency of regional development financial institutions. In accordance with this last purpose, IDA proposed that IDBI should work out a programme for strengthening the SFCs participating in the onlending programme.

112. IDBI and the Reserve Bank of India accordingly worked out, in consultation with IDA, operational guidelines and development programmes for enhancing the effectiveness of SFCs' functioning. The measures contemplated in this connection cover appropriate staffing and improving the quality of project appraisal, streamlining of the disbursement procedures, toning up the follow-up supervision of assisted projects and measures for bringing down the level of arrears. The operational guidelines and development programmes covering the above aspects of SFCs' organisation and functioning have already been issued. While these steps would go a long way in strengthening the SFCs' foreign exchange credit from the IDA would enable them to enlarge their operations by taking up for assistance, in a greater degree than before, projects with foreign exchange content.

113. IDBI held final negotiations with IDA in November 1972. The IDA credit of \$ 25 million sanctioned on February 9, 1973 has become effective on June 22, 1973. The credit will be utilised for refinancing loans granted by SFCs to industrial concerns for the setting up of new industrial projects and also for expansion, diversification, modernisation or renovation of the existing units in cases where a portion of the loan is for financing import of equipment from abroad and/or for technical know-how in special cases. The total project cost should not however exceed Rs. 1 crore. In formulating a scheme for the refinance of loans sponsored under IDA credit, an attempt has been made to retain broadly the existing frame-work of the scheme for refinance of industrial loans by IDBI and to make only such modifications as are necessary having regard to the new responsibilities.

114. The scheme for refinance under IDA credit is as follows :

An industrial unit becomes eligible for foreign exchange under the IDA credit only if the corresponding refinance has been sanctioned by IDBI. The Government of India to whom the credit will be made available will provide the foreign exchange against import licence. The repayment period should be between 3 and 10 years extendable in exceptional cases upto 15 years on merits. The rates of interest to be charged irrespective of the foreign exchange portion of the refinance will be those prescribed by the IDBI from time to time. The rates now prescribed are as under :

6½ per cent (with a ceiling of 9 per cent on the rate to be charged by SFCs, applicable to small-scale units covered under the credit Guarantee Scheme, units sponsored by technician entrepreneurs and units in specified backward districts);

6½ per cent (with a ceiling of 9½ per cent on the SFC's rate, in other cases);

The rates on the rupee portion of the loan will be the same as prescribed by IDBI from time to time in respect of exclusive rupee loans.

115. The Government of India have simplified the procedural formalities in regard to the issue of import of licences under IDA credit. IDBI has issued detailed guidelines in regards to the operation of the credit and issue of import licences (for details please see Appendix).

#### **IDBI ASSISTANCE TO THE SMALL SCALE SECTOR**

116. In the earlier Sections, the activities of the IDBI which are oriented towards the development of the small scale sector, have been mentioned at several places. These are summarised in this Section.

117. IDBI has taken several measures in the last five years for widening the scope and reducing the cost of refinance facilities in respect of the loans to small scale industry. The procedures are simplified as well as liberalised in order to stimulate the flow of funds to this sector. Refinance against the SFC/Bank loans to small industries is given at a concessional rate of interest. The minimum amount eligible for refinance is kept at as low a level as Rs. 10,000 and Rs. 20,000 for the small units covered under the Credit Guarantee Scheme and for small road transport operators respectively. IDBI also provides refinance at a concessional rate in respect of SFC loans upto Rs. 2 lakhs under technician assistance scheme, although these loans are not covered under the Credit Guarantee Scheme. By considerably liberalising the procedure of refinance assistance upto Rs. 2 lakhs to SFCs such assistance has been made near-automatic.

118. Response to all these measures has been very encouraging. Sanctions of refinance to small scale units covered under the Credit Guarantee Scheme and to small road transport operators has shown a marked rise in recent years. Refinance assistance to these sectors has increased from Rs. 0.5 crore in 1967-68 to Rs. 25.4 crores during 1972-73. As a percentage of total refinance assistance by the IDBI

it has gone up from 5·4 per cent in 1967-68 to 76·3 per cent in 1972-73. Not only has the quantum of assistance to these sectors gone up at such an impressive rate, but also the assistance has been distributed among larger number of units. This may be seen from the fact that the number of applications from these sectors has gone up from a mere 23 in 1967-68 to 2310 in 1972-73 or about 96 per cent of the total number of refinance applications. Also the amount of refinance per case has gone down from Rs. 2·17 lakhs in 1967-68 to Rs. 1·10 lakhs in 1972-73, indicating a predominance of applications in respect of smaller units (Table 20).

119. IDBI's assistance to small scale sector of industries is also to some extent given in the form of rediscounting of bills/promissory notes arising out of sales of indigenous machinery on deferred payment basis. The facility is availed of by small-scale units as purchaser users of machinery. With the object of extending the benefits of the scheme to larger segment of small purchasers, the minimum amount of a transaction covering a set of bills has been fixed at Rs. 10,000; however, in the case of sales of agricultural implements, no minimum amount is stipulated. Also in January 1969 the cost of credit under the scheme was pruned down by paring the maximum discount rates charged by banks by one per cent.

120. IDBI also in addition contributes to the share and bond issues of SFC's which are the main purveyors of finance to the small scale sector. IDBI's total contribution since inception to the bond and share issues of SFC's amounted to Rs. 8·9 crores.

121. Apart from provision of financial assistance, IDBI has also taken the lead in surveying the industrial potentiality of backward States/areas in the country. In order to follow-up the project ideas in a systematic manner Inter-Institutional Groups have been set up in the several States. The cumulative effect of the promotional activities of the IDBI's it is hoped will have considerable impact on the structure and development of small scale sector of industry in the next 5—10 years.

122. IDBI has improved its liaison with offices of banks and the SFC's in a number of ways. It has set up branch offices in different parts of the country and also has decentralised its operations.

TABLE 20—REFINANCE ASSISTANCE TO SMALL-SCALE INDUSTRY

Year	Total Refinance of industrial Loans (effective)			Refinance to small-scale industry and small Road Transport Operators		
	No.	Amount (Rs. crores)	No.	Amount (Rs. crores)	Percentage of	
					(3) to (1)	(4) to (2)
	1	2	3	4	5	6
1964-65	.. .. ..	113	20·9	2	0·04	2
1965-66	.. .. ..	167	19·5	11	0·2	7
1966-67	.. .. ..	136	19·4	16	0·2	12
1967-68	.. .. ..	112	9·3	23	0·5	21
1968-69	.. .. ..	311	13·4	196	2·5	63
1969-70	.. .. ..	833	13·6	766	5·8	92
1970-71	.. .. ..	1370	24·1	1273	13·5	93
1971-72	.. .. ..	1733	27·5	1621	18·5	94
1972-73	.. .. ..	2407	33·3	2310	25·4	96
<b>Total</b>	<b>.. .. ..</b>	<b>7182</b>	<b>180·9</b>	<b>6218</b>	<b>66·6</b>	<b>87</b>
						<b>36·8</b>

## OUTLOOK AND PROSPECTS : 1973-74

123. The performance of the economy in the last two years has been far below the level expected in the Fourth Plan. Failure of monsoons and certain other factors have been mainly responsible for this unsatisfactory progress. The industrial production in all the four years of the fourth plan has been below the expected normal rate of 8-10 per cent. A satisfactory feature of industrial production during 1972-73 has been that it increased by 5·2 per cent despite shortages of critical inputs. The small-scale sector whose share in total industrial production is on the increase, also seems to have made important contribution to industrial production. There is still however substantial under-utilisation of productive capacity in many strategic industries. Utilisation has been around 50 per cent or less in number of industries, particularly in the engineering units such as machine tools, diesel engines, mining machinery, steel pipes and tubes and steel castings. In order to attain Plan targets there is an urgent need to promote better utilisation of existing capacity and also to create fresh capacity in line with the targets of industrial production during the Fifth Plan.

124. Taking into consideration the constraints that have inhibited industrial growth the role and achievements of term-financing institutions cannot be said to be unsatisfactory. In addition to providing finance the financial institutions have played an active promotional role. The industrial potential surveys of backward States threw up a number of project ideas many of which were articulated into concrete projects for implementation.

125. The IDBI and the other term-financing institutions have taken a number of measures in the development process such as setting up of Technical Consultancy Organisations, State-level Inter-Institutional Groups, undertaking of district surveys for purpose of preparing projects for implementation in the next 5–10 years and indentifying potential entrepreneurs to take up the projects.

#### Pending Applications

126. On the basis of the applications pending and the various enquiries that were received in the year just ended, it appears that the IDBI's level of operations would show a definite rise. A summary of pending applications as at the end of june 1973 under the various heads of assistance is given in Table 21.

TABLE 21—SUMMARY OF PENDING APPLICATIONS AS AT THE END OF JUNE 1973

Type of assistance	No of applications	Amount of assistance sought (Rs. crores)
1. Direct Assistance to Industrial Concerns :		
Loan .. .. .. .. .. .. ..	54*	112.8
Underwriting .. .. .. .. .. ..	26*	18.9
2. Refinance of Industrial Loans .. .. .. .. .. ..	708	27.1
3. Export Assistance .. .. .. .. .. ..	16†	85.7
4. Rediscounting Assistance .. .. .. .. .. ..		2.2

\*In many cases the assistance sought is in participation with other term-financing institutions (including banks) and the share of the IDBI is not yet decided. Also in certain cases, the assistance from term financing institutions is not specified.

†Including 12 cases involving export of engineering goods and services of the value of Rs. 74.0 crores in respect of which the IDBI has agreed in principle, to provide export finance.

127. In many cases the assistance is shared with other term-financing institutions and banks. However, assuming the same degree of participation by the IDBI as in the last year and taking to consideration and enquiries which are likely to take shape into concrete project applications, IDBI's sanctions of direct assistance during 1972-73 are expected to show a rise. The increase is likely to be higher if some of the industries like paper, cement, etc. which are permitted to increase their manufacturing capacity by 100 per cent, approach IDBI for assistance.

128. With the sanction of the IDA credit of \$ 25 million to the IDBI for onlending to SFC's for meeting the foreign currency requirements of small and medium sized units, the operations of the SFC's during 1973-74 will show a sizable rise. Consequently, the IDBI refinance assistance to SFC's also would show some increase. In respect of export finance too the IDBI performance is expected to show a substantial rise. Taking an overall view, it is likely that the sanction of assistance would touch a new high of about Rs. 190 crores.

129. Table 22 gives broad indications of the IDBI's estimated sanctions and disbursals of assistance during 1973-74 under each scheme of assistance. Total utilisation of funds by assisted concerns during 1973-74 is tentatively estimated at around Rs 160 crores. This estimate is based on undisbursed sanctions as at the end of june 1973 and likely utilisation of funds out of fresh sanctions during the year. The expected spurt in direct project loans during 1973-74 may be explained by the fact that some of the major projects in the field of fertilisers, paper etc. to which large assistance was sanctioned during 1970-71 and 1971-72 have started drawing the funds ; the implementation of some of these projects was delayed on account of certain factors such as shortages in key raw materials, overrun in project costs, etc. In regard to export loans, large deferred credit loans sanctioned earlier for export of wagons to Yugoslavia are likely to be utilised this year. With increasing prospects for exports on deferred credit terms to Bangladesh, IDBI's export assistance is expected to show a substantial rise this year.

TABLE 22—ESTIMATES OF SANCTIONS AND UTILISATION OF ASSISTANCE DURING 1973-74 (JULY-JUNE)

(Rs. crores)

	1972-73 (Actuals)		1973-74 (Estimates)	
	Sanctions	Cash Utilisation	Sanctions	Cash Utilisation
1. Loans (other than for exports) .. .. .. ..	55.0	25.2	60.0	50.0
2. Underwriting and Direct Subscriptions .. .. .. ..	7.8	5.0	9.0	6.5
3. Refinance of Industrial Loans .. .. .. ..	33.3	25.0	40.0	30.0
4. Rediscounting of Machinery Bills .. .. .. ..	49.8	42.5	57.0	48.0
5. Export Finance Direct Loans for Exports .. .. .. ..	2.7	3.9	12.0	16.0
Refinance of Export Cradits .. .. .. ..	0.1	2.2	4.0	1.5
6. Subscriptions to Share and Bonds of Financial Institutions .. .. .. ..	2.8	2.8	8.0	8.0
Total .. .. .. ..	151.6	106.6	190.0	160.0

## SOURCES AND USES OF FUNDS OF THE IDBI

## Sources of Funds

130. Detailed statistics relating to the sources and uses of funds for each of the years since 1964-65 are given in Annexure IX. Table 23 sets out the principal sources of funds of the IDBI and their contribution to total operational resources during the year 1971-72 and 1972-73 as well as since inception upto the end of June 1973. Tentative estimates for the current accounting year are also given alongside.

TABLE 23—PRINCIPAL SOURCES OF FUNDS

(Rs. crores)

		1971-72	1972-73	Since inception upto the end of June 1973	1973-74 (Estimates)
1. Increase in paid-up capital and reserves/surplus	.. ..	13·2 (10·3)	3·6 (2·5)	65·0 (10·1)	13·8 (7·3)
2. Borrowings from Government	.. .. ..	—	—	145·0* (22·5)	7·5 (4·0)
3. Borrowings from Reserve Bank	.. .. ..	37·8 (29·5)	36·3 (25·7)	129·1 (20·0)	
4. Borrowings by way of bonds	.. .. ..	12·7 (9·9)	16·0 (11·3)	28·7 (4·5)	71·5 (37·8)
5. Repayment of assistance	.. .. ..	51·9 (40·5)	63·3 (44·8)	252·2 (39·2)	74·3 (39·3)
6. Sale of investment	.. .. ..	—	0·2 (0·1)	2·9 (0·4)	1·0 (0·5)
Total (including cash/liquid resources and other items)	..	128·2 (100·0)	141·2 (100·0)	643·9 (100·0)	189·0 (100·0)

Note : Figures in brackets represent percentage to total.

\*Including Rs. 1 crore borrowed by the RCI between July 1964 and August 1964 but excluding Rs. 32·5 crores borrowed by it upto the end of June 1964

131. During 1972-73 the paid up capital of the Bank remained unchanged at Rs. 40 crores. There was no fresh borrowing from the Government of India either in the General Fund or the Development Assistance Fund (DAF). After repayment of Rs. 6·6 crores to the Government the outstanding amount of borrowings from Government as at the end of June 1973 stood at Rs. 135·5 crores (excluding Rs. 22·1 crores in the DAF). Borrowings from the Reserve Bank's Long Term Operations Funds during the year amounted to Rs. 36·3 crores bringing the total borrowings from this Fund at the end of June 1973 to Rs. 129·1 crores. The unutilised balance in the Fund stood at Rs. 75·9 crores following the credit of Rs. 30 crores by the Reserve Bank out of its profits for 1972-73.

132. Total cash disbursement of assistance during 1972-73 amounted to Rs. 106·6 crores. After taking into account receipts on account of repayment of loans by borrowers and sale of investments the net outgo of funds including repayment of loan instalments to Government of India at Rs. 52·0 crores was larger than in 1971-72 of Rs. 48·7 crores. This was financed mainly out of borrowings from the Reserve Bank's NIC (LTO) Fund—Rs. 36·3 crores and borrowings from the market (Rs. 16·0) crores. The IDBI made the second bond issue for Rs. 15 crores in August 1972 which was over-subscribed. The amount finally subscribed including the permissible excess of 10 per cent was Rs. 16·0 crores.

133. Since 1969-70 in view of the stringent budgetary position of the Government, the flow of Government funds had been discontinued. As a result the main sources of funds in the last four years have been borrowings from Reserve Bank of India out of the National Industrial Credit (Long Term Operations) Fund and increase in the paid-up capital wholly contributed by the Reserve Bank of India. Since 1971-72, IDBI has been able to resort to borrowings from the market through floatation of bonds. After a few initial years of operations, IDBI has been able to build up a sort of revolving fund through repayment of earlier borrowings.

## Uses of Funds

134. The pattern of the disposition of funds during 1972-73 and since inception upto the end of June 1973 is given in Table 24. The table brings out IDBI's key role as a purveyor of supplementary resources to other financial institutions and banks in the form of refinancing, rediscounting of machinery bills and subscription to their shares and bond issues.

TABLE 24—PRINCIPAL USES OF FUNDS

	1971-72	1972-73	Since inception upto the end of July 1973	(Rs. crores) 1973-74 (Estimates)
1. Direct supply of funds by the IDBI to industrial units and for exports .....	21·6 (16·8)	34·1 (24·1)	179·8 (27·9)	72·5 (38·4)
2. Supplementing funds of other term-financing institutions and banks in respect of their assistance to industry and for exports .....	79·4 (61·9)	79·9 (56·6)	412·0 (64·0)	96·5 (51·0)
3. Repayment of borrowings from Government .....	6·6 (5·2)	8·9 (6·3)	19·9 (3·1)	11·9 (6·3)
4. Others (including liquid resources and other items) .....	20·6 (16·1)	18·4 (13·0)	32·2 (5·0)	8·1 (4·3)
Total .....	128·2 (100·0)	141·2 (100·0)	643·9 (100·0)	189·0 (100·0)

Note : Figures in brackets represent percentage to total.

135. Total resource requirements for 1973-74 for disbursement of assistance and repayment of loan instalments to Government are provisionally estimated at Rs. 180·9 crores. IDBI will have to tap larger resources in 1973-74 and in subsequent years to cope with increasing operational activities. The IDBI proposes to increase its share capital by Rs. 10 crores during 1973-74. Government of India made a provision of Rs. 7·5 crores in the 1973-74 budget for replenishment of funds of IDBI in connection with its operations under IDA credit. After taking into account receipts by way of repayment by borrowers, sale of investments, etc. the gap in resources would be of the order of Rs. 71·5 crores which is proposed to be met out of borrowings from the Reserve Bank of India and the market.

#### TRENDS IN OPERATIONS OF TERM-FINANCING INSTITUTIONS

135. Total financial assistance sanctioned by term-financing institutions (the IDBI, the IFCI, the ICICI, the IRCA, the SFC's and the SIDC's/SIIICs) in 1972-73 (April - March) aggregated Rs. 309·3 crores compared to Rs. 304·6 crores in 1971-72. Utilisation of assistance during 1972-73 amounted to Rs. 200·6 crores compared to Rs. 184·5 crores in 1971-72 recording an increase of 9 per cent (Table 25).

TABLE 25—ASSISTANCE SANCTIONED BY TERM-FINANCING INSTITUTIONS AND UTILISED BY ASSISTED CONCERNs DURING 1971-72 AND 1972-73 (APRIL-MARCH)

	1971-72	1972-73	(Rs. crores) Percentage increased(+) / decreased(—)
Rupee Loans .....	Sanctions Utilisation 250·7 152·3	247·8 152·9	-1·2 +0·4
Underwriting of and Direct subscription to Shares and Debentures .....	Sanctions Utilisation 28·6 8·2	27·2 15·6	-4·9 +90·2
Foreign Currency Loans .....	Sanctions Utilisation 25·3 23·9	34·3 32·1	+35·6 +34·3
Total .....	Sanctions Utilisation 304·6 184·5	309·3 200·6	+1·5 +8·7

137. The accounting years are not the same for all the financial institutions. If the figures relating to the respective accounting year for 1972-73 are considered, total financial assistance sanctioned by the term-financing institutions during 1972-73 amounted to Rs. 343 crores as against Rs. 321 crores in 1971-72, showing a rise of 7 per cent. Aggregate disbursal of assistance for the same year rose by about 22 per cent from Rs. 180 crores to Rs. 220 crores. The operations of term-financing institutions thus show a marked improvement in actual investment in the private sector of industry.

**Trends in Assistance Sanctioned**

138. The magnitude of sanctions of assistance by term-financing institutions, which was around Rs. 132 crores immediately prior to the fourth Plan, has gone up substantially (Table 26 and Annexure X-A). The average annual level of sanctions during the 4 years of the Fourth Plan has reached the mark of Rs. 248 crores—more than double the average level of Rs. 114 crores each in the Annual Plan period 1966–69.

**TABLE 26—SANCTIONS OF ASSISTANCE BY TERM-FINANCING INSTITUTIONS—  
1964-65 TO 1972-73 (APRIL-MARCH)**

(Rs. crores)

Year	Rupce loans	Underwriting and direct subscription	Foreign currency loans	Total assistance sanctioned	Percentage change over previous year
1964-65	58.2	18.2	17.9	94.2	
1965-66	119.7	25.3	24.3	169.3	+79.7
1966-67	95.9	14.0	12.1	122.0	-27.9
1967-68	68.1	11.9	7.0	87.1	-28.6
1968-69	87.1	16.0	29.3	123.3	+51.9
1969-70	119.8	18.5	15.5	153.8	+16.3
1970-71	175.3	15.7	34.6	225.7	+46.7
1971-72	250.7	28.6	25.3	304.6	+35.0
1972-73	247.8	27.2	34.3	309.3	+1.5

**Trends in Assistance Disbursed**

139. Table 27 shows the progress in the disbursals of assistance by term-financing institutions from 1964-65 to 1972-73. Cash disbursals of assistance averaged Rs. 162 crores during the first four years of the Fourth Plan, compared to Rs. 105 crores during each of the Three Annual Plan years 1966-67 to 1968-69 and the annual average of Rs. 62 crores for the Third Plan as a whole. These data clearly indicate an increasingly important role assumed by term-financing institutions in sustaining investment activity in the industrial sector (Also see Annexure X-B).

**TABLE 27—DISBURSALS OF ASSISTANCE BY TERM-FINANCING INSTITUTIONS—  
1964-65 TO 1972-73 (APRIL-MARCH)**

(Rs. crores)

Year	Rupce loans	Underwriting and direct subscription	Foreign currency loans	Total assistance	Percentage change over previous year
1964-65	52.8	8.0	10.5	71.3	
1965-66	71.3	11.6	22.9	105.8	+48.4
1966-67	86.6	17.4	21.5	125.6	+18.7
1967-68	79.3	11.5	14.2	105.0	-16.4
1968-69	65.3	9.5	11.1	85.8	-18.3
1969-70	91.8	10.8	13.7	116.3	+35.6
1970-71	112.2	10.7	23.8	146.7	+26.1
1971-72	152.3	8.2	23.9	184.5	+25.8
1972-73	152.9	15.6	32.1	200.6	+8.7

140. Statistics relating to sources and uses of funds by term-financing institutions for 1972-73 are set out in Annexure XI. Particulars relating to purpose-wise, industry-wise and State-wise classification of assistance sanctioned and disbursed by the term-financing institutions during 1971-72 and 1972-73 are shown in Annexures XII, XIII and XIV, respectively.

**OPERATIONS IN THE DEVELOPMENT ASSISTANCE FUND\***

141. During 1972-73, there was no fresh sanction of assistance out of the DAF. The IDBI has so far sanctioned, out of this Fund, financial assistance to four projects for an aggregate amount of Rs. 40.2 crores, comprising loans of Rs. 31.4 crores, underwriting assistance of Rs. 3.7 crores and deferred payment guarantee of Rs. 5.1 crores.

142. Utilisation of assistance from the Fund during 1972-73 amounted to Rs. 2.1 crores (loan Rs. 1.6 crores and underwriting Rs. 0.5 crore) in respect of Ashok Paper Mills Ltd. to which Government approved sanction of assistance from the DAF for Rs. 7 crores (loan Rs. 6 crores) and underwriting Rs. 1 crore) in 1971-72, representing 50 per cent of the total IDBI assistance of Rs. 14 crores for financing its rehabilitation scheme. Total utilisation of sanctions from the DAF since inception amounted to Rs. 30.0 crores. There was no fresh borrowing of Funds from the Government during the year. The IDBI repaid during the year instalments aggregating Rs. 2.29 crores to the Government in respect of the loans availed of from the fund. As on June 30, 1973 outstanding borrowing from Government in the Fund stood at Rs. 22.13 crores. The Fund showed a profit of Rs. 1.27 crores during 1972-73 (Rs. 87 lakhs in 1971-72) after transfer of Rs. 4.6 lakhs to the General Fund towards expenses of the administration of the DAF.

\*This Fund which is maintained separately from the IDBI's General Fund was established in March 1965, in terms of Section 14 of the IDBI Act, to assist, with the approval of the Central Government specially deserving projects to which banks and other financial institutions are not likely to provide the requisite finance in the ordinary course of business.

### OPERATIONS OF ASSOCIATE INSTITUTIONS—IFCI, IRCI, KITCO AND NEITCO

143. The Industrial Reconstruction Corporation of India Ltd. came into being in April 1971 mainly as a result of IDBI's initiative. The IRCI 50 per cent of whose share capital is held by the IDBI, has been in operation for more than 2 years now. The operations of IFCI in which the IDBI holds 50 per cent share capital are under the close supervision of the IDBI in terms of the provisions of the industrial Finance Corporation Act.

144. In pursuance of IDBI's active involvement and participation in project identification and financing, and with a view to providing technical and administrative assistance to entrepreneurs and financial institutions which purvey term-finance to industry, the Inter-institutional Group in Kerala under the leadership of the IDBI sponsored a Technical consultancy Service Centre (TCSC) in Kerala in February 1972. Encouraged by the results of KITCO's performance, IDBI has organised the North Eastern Industrial and Technical Consultancy Organisation (NEITCO) to cater to the needs of the States/Union Territories in the North Eastern Region. This Section briefly reviews the operations of the IFCI, IRCI, KITCO and NEITCO.

#### **Industrial Finance Corporation of India (IFCI)**

145. The operations of the IFCI during 1972-73 (July-June) recorded a substantial increase both in the number of projects for which assistance was sanctioned and the magnitude of assistance sanctioned, the former having risen from 68 in 1971-72 to 90 and the latter from Rs. 39·2 crores to Rs. 46·2 crores. The assistance sanctioned comprised rupee loans of Rs. 39·6 crores, foreign currency loans of Rs. 3·6 underwriting and direct subscription of 2·3 crores and guarantee for deferred payments of Rs. 0·7 crore. There was a substantial step up in the assistance sanctioned to units in notified backward areas, sugar co-operatives and public sector projects. Assistance to projects in notified backward districts rose from Rs. 14·1 crores in respect of 17 projects during 1971-72 to Rs. 20·4 crores in respect of 30 projects during 1972-73 this accounted for about 44 per cent of total assistance sanctioned during the year. Assistance to public sector units increased from Rs. 1 crore to Rs. 2·9 crores during 1972-73 and assistance to sugar co-operatives from Rs. 9·5 crores for 10 projects to Rs. 15·9 crores for 15 projects. About 77 per cent of the assistance sanctioned during 1972-73 was shared by units in sugar textile, paper, iron and steel, metal products, jute manufactures and cement and cement products.

146. Cash utilisation of assistance by assisted concerns during 1972-73 amounted to Rs. 32·3 crores as against Rs. 22·0 crores during 1971-72 which showed an increase of 47 per cent.

147. Assistance sanctioned (effective) by the IFCI since its inception upto the end of June 1973 aggregated Rs. 387·7 crores (excluding guarantees) comprising rupee loans of Rs. 300·9 crores, foreign currency loans of Rs. 49·9 crores and underwriting and direct subscriptions to shares and debentures of industrial concerns of Rs. 36·9 crores. Besides its sanctioned guarantees for loans and deferred payments aggregating Rs. 52·2 crores. Cash utilisation of assistance amounted to Rs. 322·1 crores.

148. During the year, the Industrial Finance Corporation Act, 1948 was amended. Some of the important amendments are as follows:—

- (i) Private Limited companies are made eligible for financial assistance from the Corporation ;
- (ii) The authorised capital of the Corporation has been increased from Rs. 10 crores to Rs. 20 crores ;
- (iii) The ceiling of 5 per cent on the dividend which may be declared by the Corporation has been removed ; and

(iv) provision of a new section dealing with the establishment of a Benevolent Reserve Fund has been made. This Fund consisting of annual allocations from the Corporation's profits or any grants which may be received from the Government or other sources is meant for meeting socially desirable objectives such as cost of feasibility studies or project reports in respect of projects sponsored by new entrepreneurs and technologists market and techno-economic surveys for the development of industries, for promoting research and development banking and in financial and industrial management training of staff of financial institutions etc.

149. The IFCI sponsored Management Development institute was inaugurated on the 8th March 1973. The Institute is intended to provide modern management techniques to the clients of the Corporation, particularly to new entrepreneurs and technologists, who for the first time, promote an industrial projects with financial assistance from the Corporation. The Institute will also impart training in development banking to the staff of the Corporation at all levels as also of other financial institutions.

#### **Supervision over the Operations of IFCI**

150. The IDBI continued to exercise supervision over the operations of the IFCI in terms of the provisions of the Industrial Finance Corporation Act M/s Ray & Ray Calcutta were appointed by the IDBI to act as Auditors of the Corporation for the 1972-73. Shri F.K. F. Nariman and Dr. Samuel Paul continued on the IFCI's Board of Directors as two of the IDBI's nominees, Shri C. S. Venkat Rao, General Manager of the IDBI and Shri Bishnu Benerjee were appointed as the other two nominee-Directors in place of Dr. V. V. Bhatt and Shri G. Ramanujam respectively.

#### **Industrial Reconstruction Corporation of India Ltd. (IRCI)**

151. During 1972-73 the tempo generated by the significant beginning made by the IRCI in the first 15 months of its working was maintained, viewed from the magnitude of disbursements and effective and result-oriented supervision of the affairs of assisted units. The IRCI functions not merely as a lending institution but as a reconstruction agency interested in the revival of sick and closed units.

152. The salient features of the operations of IRCI during 1972-73 (July-June) were an increase by about one and a half times, in the disbursal of assistance; a widening of its area of operation to States such as Andhra Pradesh, Maharashtra, Delhi and Kerala; promotion of a modern type central textile processing unit ; and its active association with the running of the units taken over by the Government of India under the Industries (Development and Regulation) Act 1951.

153. IRCI received 77 applications for assistance during the year, taking the total number of applications received so far to 418. Of the 418 applications the IRCI had completed study in respect of 325 and sanctioned assistance on 67 applications for Rs. 13.2 crores: 258 applications were not acted on either because the units were not viable or eligible for assistance. Of the remaining 93 cases, 4 were ready for sanction of assistance and 34 cases were under study.

154. From its inception upto the end of June 1973 IRCl has sanctioned Rs. 13·2 crores to 67 sick/closed industrial units employing a total labour force of 47,466. In addition, the IRCl has arranged assistance of the order of Rs. 8·0 crores from banks for meeting the working capital needs of these units. More than one-half of the assistance sanctioned was in respect of units in the engineering industry ; the textile industry claimed about 10 per cent of the assistance (Table 28).

TABLE 28-- INDUSTRY-WISE CLASSIFICATION OF ASSISTANCE SANCTIONED AND DISBURSED  
BY IRCl SINCE INCEPTION IN APRIL 1971 TO JUNE 1973

(Amount in Rs. crores)

Industry	No. of Units	Total amount sanctioned	Amount Disbursed			Amount arranged through banks/other institution	Labour involved	
			Loan	Guarantee	Total			
Engineering	.. .. .. ..	35	7·18	2·57	0·60	3·17	3·45	19,179
Textiles	.. .. .. ..	6	1·22	0·73	0·13	0·86	0·91	5,276
Miscellaneous	.. .. .. ..	26	4·77	2·15	0·32	2·47	3·61	23,011
Total	.. .. .. ..	67	13·17	5·45	1·05	6·50	7·97	47,466

155. Utilisation of assistance upto the end of June 1973 amounted to Rs. 6·5 crores (inclusive of guarantee assistance of Rs. 1·4 crores) in respect of 46 of the 67 assisted units.

156. Having regard to the particularly serious position of industries in West Bengal and with a view to solving the problems faced by units provided with rehabilitation and reconstruction finance, the IRCl has taken steps to promote a new unit, namely, Textile processing Corporation of India Ltd. for setting up a modern central wet textile processing plant with a capacity for processing, on job work basis, 1·5 lakh metres per day of different categories of cotton fabrics. The setting up of such a processing house will facilitate assisted units to improve the quality of products and profitability. To provide assistance to several sick units for setting up individual processing plants was not considered to be an economic proposition as it would involve avoidable duplication of machinery. It was also felt that the total investment required for the purpose would be higher than would be the case in the setting up of a central processing house as envisaged.

157. The capital cost of the project is estimated at Rs. 450 lakhs and is proposed to be financed by share capital of Rs. 180 lakhs and term loan of Rs. 270 lakhs mainly from term financing institutions. The IDBI has sanctioned underwriting assistance of Rs. 50 lakhs and a loan of Rs. 100 lakhs.

158. The Corporation has introduced the Inter-Unit Services under which it helps the assisted units in obtaining their requirements of raw materials from producing units assisted by the IRCl. The scheme was extended to cover more units resulting in better inventory maintenance by the assisted concerns and closer co-ordination of their activities by IRCl.

159. The Government of India utilised the services of the Corporation for studying units taken over under the Industries (Development and Regulation) Act and for extending financial and other assistance to these units. In two cases where the management was taken over by the Government under the said Act IRCl was appointed as Authorised Controller; in many other cases appointments of the authorised controller or the authorised body of persons were made in consultation with and often with the representatives of the Corporation.

#### Kerala Industrial and Technical Consultancy Organisation Ltd. (KITCO)

160. Mention was made in the previous Report regarding the setting up of KITCO in February 1972 to facilitate the work with regard to project formulation, appraisal and supervision. During the first seventeen months ended June 1973 KITCO received as many as 374 enquiries covering a wide range of small and medium scale industries. Nearly 88 per cent of these enquiries (329) emanated from entrepreneurs and the remaining from the financial institution such as the State Financial Corporation and the banks. So far, 86 cases received from entrepreneurs involving an investment of Rs. 34·1 crores have materialised into concrete project ideas; these have been taken on hand for preparation of project reports. Reports in respect of 14 of these schemes involving investment proposals of Rs. 3·5 crores have already been furnished to the parties and work in respect of 66 schemes is in progress.

161. Of the 45 appraisal cases referred by financial institution reports in respect of 34 cases involving investments of Rs. 14·0 crores have been finalised while 9 schemes are on hand (Table 29).

TABLE 29—ENQUIRIES HANDLED BY KITCO DURING FEBRUARY 1972—JUNE 1973

	Projects from Entrepreneurs		Appraisal Cases from Financial Institution		Total	
	Number of cases	Investment involved (Rs. crores)	Number of cases	Investment involved (Rs. crores)	Number of cases	Investment involved (Rs. crores)
1. Total Number of enquiries received ..	329	Not assessed	45	15·1	374	Not assessed
2. Project ideas materialised Appraisal cases (3+4+5)	86	34·1	45	15·1	131	49·2
3. Reports completed ..	14	3·6	34	14·0	48	17·6
4. Projects/Appraisals dropped ..	6	0·2	2	0·2	8	0·4
5. Enquiries on hand as on June 30, 1973 ..	66	30·3	9	0·9	75	31·2
6. Appraisals under implementation ..			10	10·5	10	10·5

162. The distribution of 131 project ideas and appraisals by size of investments given below shows that the bulk (56 per cent) of the projects and appraisals completed as well as under preparation is of small and small-medium category with investment proposals upto Rs. 10 lakhs each. Nearly 37 per cent of the cases is from medium scale units while only about 8 per cent is from large-scale units with investments of over Rs. 1 crore each.

Size of Investment	No. of projects	Percentage to total
Upto Rs. 1 lakh ..	10	7·6
Over Rs. 1, lakh and upto Rs. 10 lakhs ..	63	48·0
Over Rs. 10 lakhs and upto Rs. 50 lakhs ..	41	31·5
Over Rs. 50 lakhs and upto Rs. 1 crore ..	7	5·3
Over Rs. 1 crore ..	10	7·6
<b>Total</b> ..	<b>131</b>	<b>100·0</b>

163. Among other activities KITCO co-sponsored in association with the School of Management Cochin University an entrepreneurial development programme extending over a period of 5 months on a full-time basis to train candidates in the preparation and implementation of industrial projects. Twenty-seven candidates participated in the course. Several of the trainees have since been actively pursuing preparation and implementation of the projects.

164. Regarding future programmes KITCO has plans to extend its services to the neighbouring States of Mysore, Tamil Nadu and Andhra Pradesh. It has agreed to offer assistance for the proposed industrial potential surveys to be undertaken by the Government of Kerala under the Fifth Plan.

#### North Eastern Industrial and Technical Consultancy Organisation Ltd.

165. Encouraged by the working of KITCO the IDBI has set up in May 1973 a zonal organisation known as the North Eastern Industrial and Technical Consultancy Organisation Ltd. (NEITCO) at Gauhati to cater to the needs of the States/Union Territories in the North Eastern Region. It has been formally registered as a public limited company under the Companies Act 1956 on July 18 1973. As in the case of KITCO, NEITCO is Board-managed with the Vice-Chairman of the IDBI as the Chairman of the Board of Directors. The other directors will comprise representatives each of SIDC, SFC, ICICI, IFCL, IDBI and the 'lead' banks. The day-to-day management will be looked after by the Managing Director appointed by the IDBI.

#### PERFORMANCE OF IDBI ASSISTED COMPANIES

166. This Section analyses the overall and industry-wise performance of some of the IDBI assisted companies and their contribution to national output, employment and Government revenue during 1970, 1971 and 1972.

167. Data for the purpose have been collected from the annual reports of the companies and progress reports submitted by them to the IDBI. The number of companies covered in the study is 90 for the year 1970, 95 for the year 1971 and 118 for the year 1972. The inclusion of a company in the study is decided after taking into account in addition to data availability whether the company has commenced production and whether the company was utilising IDBI's assistance during the relevant year.

#### Industry-wise Performance of IDBI Assisted Companies

##### Earnings to Capital Ratio

168. The following table shows industry-wise performance as measured by gross earnings before interest and taxes to capital employed (gross fixed assets plus inventories) of IDBI assisted companies for the years 1970, 1971 and 1972.

**TABLE 30—INDUSTRY-WISE RATIO OF GROSS EARNINGS BEFORE INTEREST AND TAXES TO CAPITAL EMPLOYED  
(GROSS FIXED ASSETS AND INVENTORIES) FOR IDBI ASSISTED COMPANIES**

Sr. No.	Industry Group	Number of companies covered in study			Average ratio of gross earnings to capital employed		
		1970	1971	1972	1970 %	1971 %	1972 %
1. Textiles	..	12	13	13	8.2	5.3	11.3
2. Paper	..	7	7	8	12.3	15.8	14.2
3. Rubber	..	1	1	1	3.7	1.4	-0.5
4. Basic Industrial Chemicals	..	9	9	11	16.5	18.6	20.0
5. Fertilizers	..	6	6	8	14.7	15.9	15.3
6. Other-Chemicals	..	5	6	7	7.5	12.7	21.0
7. Cement	..	7	7	7	12.3	11.7	11.1
8. Basic Metals	..	15	16	23	14.5	13.7	10.1
9. Machinery except electricals	..	12	13	16	6.5	4.2	9.8
10. Electrical machinery	..	10	10	12	19.5	28.2	22.7
11. Others	..	6	7	12	2.0	6.6	0.7
All Industries	..	90	95	118	13.8	14.7	13.1

169. It will be observed from the above table that the performance of IDBI assisted companies as indicated by the ratio of gross earnings to capital employed was on an average better in 1971 compared to 1970; but it was somewhat lower in 1972 compared to the two preceding years. The slightly lower ratio is understandable in view of the fact that 13 companies included in the study for the year 1972 started production only in that year. Further the performance of the industrial sector during 1972 was affected by factors such as shortage of power and of raw materials. It will however be seen from the above table that the performance has shown significant improvement during 1972 in the case of textiles, basic and other chemicals and machinery excluding electrical machinery.

#### Distribution According to Earnings

170. Table 31 shows distribution of IDBI assisted companies according to the percentage of gross earnings to capital employed for the year 1972.

171. It is seen from the below table that 33 per cent of the companies earned more than 15 per cent on their capital employed. Another 38 per cent earned 5 to 15 per cent—a feature which might be attributed to the fact that many of the projects are yet to reach their full operating capacity. The balance of 28 per cent comprising mostly new companies which have gone into production in the last 2 or 3 years have had earnings upto 5 per cent on their capital employed.

**TABLE 31—FREQUENCY DISTRIBUTION OF IDBI ASSISTED COMPANIES ACCORDING TO PERCENTAGE OF EARNINGS  
TO CAPITAL EMPLOYED**

Percentage of earnings to capital employed %	No. of companies
Upto 5	34
5 to 15	45
15 to 20	18
20 to 30	14
Above 30	7
Total	118

(Average ratio 13.1 per cent)

#### Capital Intensity Ratio

172. A Table showing the ratio of capital employed to value of output of IDBI assisted companies for the years 1970, 1971 and 1972 is given below :

TABLE 32--CAPITAL INTENSITY RATIOS FOR IDBI ASSISTED COMPANIES

Year	Capital/ value of output for IDBI assisted companies
1970	1.52
1971	1.44
1972	1.60

173. It is observed from the above table that the ratio of capital to output for these companies is higher in 1972 as compared to that in 1971. This is explained partly by the fact that a large number of companies covered in the IDBI's sample for 1972 are new companies which have commenced production only in the year and further some of them belong to relatively high capital intensive sectors such as chemicals and basic metals.

174. Industry-wise capital intensity ratios for the companies are given in Annexure XV. Industry-wise details of capital employed per worker for these companies are also shown in this Annexure. The figures are broad estimates and therefore should be interpreted only as rough indicators. It is seen therefrom, that capital employed per worker for IDBI assisted companies was Rs. 75,180, Rs. 80,110 and Rs. 82,518 respectively for the years 1970, 1971 and 1972; the rise in investment per worker is due to the addition of new companies in the IDBI sample every year and also because of the rising trend of the capital cost of projects in terms of rupee cost.

#### Contribution to National Output, Employment and Government Revenue

175. Table 33 brings out the contribution of IDBI assisted companies to national output, employment and government revenue.

TABLE 33—CONTRIBUTION TO NATIONAL OUTPUT, GOVERNMENT REVENUE AND EMPLOYMENT BY COMPANIES DIRECTLY FINANCED BY THE IDBI

	1970	1971	1972
A. Contribution to National output—			
(i) Value of output (Rs. crores)	675.76	796.83	1225.27
(ii) Net value added (Rs. crores)	189.46	233.17	352.43
B. Percentage of value added by companies directly assisted by IDBI, to the net value added by private corporate sector	7.4	8.0	11.4
C. Contribution to Government revenue (corporate tax and excise duties) (Rs. crores)	71.48	91.24	147.84
D. Percentage contribution by companies directly assisted by IDBI, to total Government revenue by way of corporate tax and excise duties	3.8	4.3	5.8
E. Employment provided by companies directly assisted by IDBI, (number)	137,000	143,000	159,500
F. Percentage of employment provided by companies directly assisted by IDBI, to total employment in the private organised industrial sector	3.5	3.6	4.0

176. It will be seen from Table 33 that the contribution of IDBI assisted companies to national output, government revenue and employment has shown a rising trend which is due to both increase in the number of companies utilising IDBI's assistance and improvement in their performance. The above analysis relates only to companies assisted directly by the IDBI. If data relating to companies assisted through refinance and rediscounting assistance were also taken into consideration the contribution would obviously be larger.

177. A statement showing IDBI's contribution by way of direct assistance to creation of additional capacities in selected industries is furnished in Annexure XVI. It may be observed that the substantial capacities in the case of fertilisers, basic industrial chemicals (PVC, Polyethylene, Caustic Soda and Caprolactam), non-ferrous metals and cement have come up/are coming up as a result of IDBI's direct assistance.

#### ACCOUNTS AND OTHER MATTERS

##### Accounts (General Fund)

178. The accounts of the General Fund of the IDBI are maintained separately from the Development Assistance Fund (DAF).

##### Income and Expenditure

179. During the accounting year 1972-73, the total income of the Bank's General Fund increased by 16 per cent from Rs. 15.94 crores to Rs. 18.55 crores and total expenditure by 21 per cent from Rs. 12.34 crores to Rs. 14.94 crores. The lower rate of growth in income was mainly attributable to the fact that a sizable portion of the assistance outstanding was under refinance to small-scale industries and assistance to backward areas, at concessional rates of interest varying between  $3\frac{1}{2}$  per cent and  $5\frac{1}{2}$  per cent (assistance outstanding as on June 30, 1973, Rs. 45.21 crores) and exports (assistance outstanding as on June 30, 1973, Rs. 30.67 crores) as against the IDBI borrowing rate of 6 per cent until May 30, 1973. Consequently, reckoned at 6 per cent, the additional income accruing would have been about Rs. 0.89 crores. The increase in expenditure was chiefly on account of factors such as higher cost of borrowings and increase in establishment expenditure arising out of opening of branch offices and step up in other promotional activities.

180. The net profit for 1972-73, as a result, increased only to Rs. 3.61 crores from Rs. 3.60 crores in 1971-72. Out of the profits, a sum of Rs. 2.11 crores was transferred to the Reserve Fund (Rs. 2.28 crores in 1971-72) raising the amount in the Fund to Rs. 18.86 crores\* as on June 30, 1973. The balance of Rs. 150 lakhs (Rs. 131.25 lakhs in 1971-72) was transferred to the Reserve Bank of India, thus maintaining the dividend rate at 3.75 per cent.

\*Exclusive of the investment reserve, representing profits on sale of investments of Rs. 82.2 lakhs as at the end of June 1973.

**Auditors**

181. The accounts of the Bank were audited by M/s. K. S. Ayar & Company, Bombay who were appointed by the Reserve Bank of India in terms of Section 23(1) of the Industrial Development Bank of India Act.

**Secretariat Activities****Board of Directors**

182. The Board of Directors of the IDBI is identical with the Central Board of the Reserve Bank of India. During the year, eight Directors namely, Sarvashri G. Basu, Kamaljit Singh, S. L. Kirloskar, D. C. Kothari, Arvind N. Mafatlal, Bhaskar Mitter, V. N. Puri and J. Ramdave Row retired from the Central Board of the Reserve Bank and consequently from the Board of the IDBI. In their vacancies, the Government of India nominated to the Central Board of the Reserve Bank of India and consequently to the Board of the IDBI, Dr. Bharat Ram, Shri M. P. Chitale, Prof. M. L. Dantwala, Shri A. N. Haksar, Dr. K. Kanungo, Dr. V. Kurien, Shri G. Parthasarathi, and Shri C. Ramakrishna between September 1972 and February 1973. Besides, Shri N. C. Sengupta, Secretary, Ministry of Finance, Department of Banking was nominated by the Government of India on August 17, 1972 as a Director in place of Shri A. Baks. Shri S. M. Joshi resigned his directorship of the Central Board with effect from September 1, 1972. The Board wishes to place on record its high sense of appreciation of the valuable services rendered by these Directors.

183. Shri P. N. Damry relinquished the post of Deputy Governor of the Reserve Bank of India on March 15, 1973 to join the International Bank for Reconstruction and Development (World Bank) as Secretary.

184. The Board of Directors held seven meetings during the year, two in Bombay and one each at Ahmedabad, Calcutta, Madras, Trivandrum and Srinagar.

**Executive Committee**

185. The Executive Committee constituted by the Board comprising the Chairman, the Vice-Chairman and eight other directors held fourteen meetings during the year, one each at Madras, Trivandrum and New Delhi, two in Calcutta and the rest in Bombay.

**Ad-hoc Advisory Committee**

186. The IDBI continued to avail itself of the services of technical, financial and administrative experts and consultants to advise the IDBI on specific projects. For this purpose, *ad-hoc Committees of Advisers* were constituted from time to time. In all, sixteen meetings of *ad-hoc Committees of Advisers* were held during the year. The Board of Directors are grateful to the advisers and experts for the valuable assistance rendered by them to the IDBI.

**Regional and Branch Office Functioning**

187. The Regional Offices of the IDBI at Calcutta, Madras and New Delhi were actively helped and guided by the respective Regional committees. The Eastern Regional Committee met four times during the year, thrice at Calcutta and once at Patna. The Northern Regional Committee met on five occasions, once at Jaipur and four times in New Delhi. The Southern Regional Committee held four meetings, two of which were in Madras and one each at Bangalore and Hyderabad.

188. During the year, IDBI opened the following three branch offices bringing the total number of branches to twelve.

Branch Office	Date of opening	Territorial coverage
Bhubaneswar	1-7-1972	State of Orissa
Jaipur	1-1-1973	State of Rajasthan
Ahmedabad	1-6-1973	State of Gujarat

Each Branch Office, functioning under the jurisdiction of the respective Regional office, serves as initial contact point and information centre and is required to maintain liaison with the industrial, financial and developmental agencies operating in various States so as to facilitate the performance of the promotional functions assumed by the IDBI in each State.

**Strengthening of the Internal Organisation**

189. Because of the increase in the volume of work and on account of undertaking new functions and responsibilities, the internal set-up at the Head Office and regional offices has been strengthened during the year. The Refinance Department at the Head Office which has been entrusted with the operations of IDA credit, has been reorganised to meet also the additional responsibilities arising from the programme for improving the effectiveness of SFC functioning.

190. Dr. V. V. Bhatt, General Manager, took up an assignment in the Economic Development Institute of the World Bank in August 1972. Shri C. S. Venkat Rao, assumed charge as General Manager of the IDBI on September 9, 1972.

**International Conferences**

191. The Joint General Manager of the IDBI attended the Third Meeting on Cooperation among Industrial Development Financing Institutions, organised by the UNIDO in Ottawa in September 1972. While in Canada, he also visited the Industrial Development Bank of Canada in Montreal to acquaint himself with the procedure and working of that institution.

192. The Vice-Chairman, assisted by three officials from the IDBI and an official each from the Department of Economic Affairs and Department of Banking in the Ministry of Finance, Government of India, led the Indian delegation to the World Bank in Washington in November 1972 for final negotiation in connection with the IDA credit of \$ 25 million to the IDBI for on lending to the SFCs.

**IDBI's Participation in the Third Asian International Trade Fair**

193. During the year, the IDBI participated in the Third Asian International Trade Fair held in New Delhi under the auspices of the Ministry of Foreign Trade, Government of India between November 1972 and January 1973. In the common pavilion of the IDBI and the IFCI, panels portraying the activities of these institutions highlighted their objectives and achievements. Photographs of the IDBI assisted projects and samples of a few products manufactured by assisted concerns were also displayed. Folders containing the activities of the IDBI were distributed to the visitors to the pavilion. The display at the IDBI-IFC pavilion earned the appreciation of all the visitors.

**Training of Personnel**

194. As in the previous years, the IDBI continued to avail itself of the training facilities offered in and outside the country. During the year, 53 officers of the IDBI attended courses on development finance and allied subjects conducted by the training and institutes of management in the country like the Bankers Training College at Bombay, the Administrative Staff College of India at Hyderabad, National Institute of Bank Management, Bombay and NITIE, Bombay. In addition, two officers participated in the Special Course on Project Development and Appraisal for Development Bankers conducted by the UN Asian Institute for Economic Development and Planning, Bangkok and one officer attended the 21st session of Industrial Finance Seminar conducted by the Industrial Bank of Japan, Tokyo.

195. During the year, IDBI provided In-Service training to four participants to the course on Project Development and Appraisal for Development Bankers' of the UN Asian Institute for Economic Development and Planning. It also provided facilities for an in-depth study of IDBI's promotional activities to five participants to the Regional Course on Development Banking conducted by Bankers' Training College, Bombay in collaboration with the Economic Development Institute of the World Bank in January-March 1973.

196. IDBI also extended its co-operation to the Bankers' Training College, Bombay and the Institute for Financial Management and Research, Madras by deputing its officers to take sessions in the various training programmes on Industrial Finance and Development Banking conducted by these institutions. It also took active interest in designing a three-week residential training course in collaboration with the Industrial Finance Department of the Reserve Bank of India for SFC personnel. During the year, the IDBI-IFD conducted three such courses at Ranchi, Madras Bangalore which were attended by middle-level officers of the SFCs.

## ANNEXURES AND ANNUAL ACCOUNTS

## IDBI: TRENDS IN ASSISTANCE SANCTIONED

	1964-65		1965-66		1966-67		1967-68		1968-69		
	Number	Amount									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Direct loans (other than for exports)	8	16.2	24	35.6	19	40.5	13	17.9	17	18.5	
2. Underwriting and direct subscriptions	29	6.8	23	8.0	10	2.4	10	2.3	10	9.6	
3. Refinance of industrial loans	124	24.6	182	22.2	145	20.8	117	10.1	336	15.2	
4. Rediscounting of bills	2	0.1	14	2.2	26	7.1	54	12.4	104	15.5	
5. Subscriptions to shares and bonds of financial institutions	8	6.3	6	1.7	9	9.4	7	1.9	3	4.5	
Total of 1 to 5	171	54.0	249	69.7	209	80.2	201	44.6	470	63.3	
6. Export finance (i) Direct (ii) Refinance	— 1	— 0.5	— 3	— 0.8	— 4	— 0.8	— 3	— 0.3	2 11	6.5 7.5	
Total of 1 to 6	172	54.6	252	70.5	213	81.0	204	44.9	483	77.3	
7. Guarantees for loans and deferred payments	3	7.8	5	-19.3	4	31.9	—	—	1	0.01	
8. Export Guarantees	—	—	—	—	—	—	—	—	1	0.6	

**Note :** The number of applications in respect of item 4 relates to the number of manufacturers and in respect of item 5 to the number of financial institutions.

## XURE 1 (A)

(GROSS)—1964-65 TO 1972-73 (JULY-JUNE)

(Amount in crores of rupees)

										Total since inception of IDBI in July 1964
Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	
18	11·7	26	43·2	35	56·0	58	59·6	218	299·2	
16	7·9	14	5·6	21	16·6	37	8·2	170	67·5	
992	16·2	1552	26·2	2194	32·2	2517	35·3	8159	202·7	
129	24·1	152	28·5	204	45·3	231	49·8	361	185·0	
1	0·5	6	8·6	4	3·2	5	2·8	21	38·9	
<b>1156</b>	<b>60·3</b>	<b>1750</b>	<b>112·1</b>	<b>2458</b>	<b>153·4</b>	<b>2848</b>	<b>155·7</b>	<b>8929</b>	<b>793·3</b>	
14 5	11·2 1·3	16 18	11·3 14·1	12 10	19·3 3·3	4 2	2·7 0·1	48 57	51·1 28·8	
<b>1175</b>	<b>72·8</b>	<b>1784</b>	<b>137·5</b>	<b>2480</b>	<b>176·0</b>	<b>2854</b>	<b>158·6</b>	<b>9034</b>	<b>873·2</b>	
2	2·6	2	2·6	—	—	1	0·3	18	64·6	
—	—	2	1·1	—	0·1	—	—	3	1·8	

## IDBI : TRENDS IN ASSISTANCE SANCTIONED

	1964-65		1965-66		1966-67		1967-68		1968-69	
	Number (1)	Amount (2)	Number (4)	Amount (5)	Number (6)	Amount (7)	Number (8)	Amount (9)	Number (10)	Amount (11)
1. Direct loans (other than for exports)	6	14.8	19	32.4	16	16.9	13	14.6	16	13.3
(a) other than backward districts		14.4		30.5		15.9		13.3		6.4
(b) Backward districts (of which at concessional rate)		0.4		1.9		1.0		1.3		6.9
(—)		(—)		(—)		(—)		(—)		(—)
2. Underwriting and direct subscriptions	26	6.2	20	6.0	8	0.9	9	1.2	10	2.3
(a) other than backward districts		5.2		6.0		0.8		0.9		0.8
(b) Backward districts (of which at concessional rate)		1.1		0.02		0.1		0.3		1.5
(—)		(—)		(—)		(—)		(—)		(—)
3. Refinance of industrial loans	113	20.9	167	19.5	136	19.4	112	9.3	311	13.4
(a) At normal and concessional rates (other than to small-scale industries small road transport operators and units in backward districts)		20.9		19.3		19.2		8.8		10.9
(b) At concessional rates—										
(i) Small-scale industries		0.04		0.2		0.2		0.5		2.4
(ii) Small road transport operators		—		—		—		—		0.1
(iii) Backward districts		—		—		—		—		—
4. Rediscounting of bills	2	0.1	14	2.2	26	7.1	54	12.4	104	15.5
5. Subscriptions to shares and bonds of financial institutions	8	6.3	6	1.7	9	9.4	7	1.9	3	4.5
Total of 1 to 5	155	48.4	226	61.8	195	53.7	195	39.4	444	49.0
6. Export finance	1	0.2	3	0.7	4	0.5	3	0.3	13	13.8
(i) Direct	—	—	—	—	—	—	—	—	2	6.5
(ii) Refinance	1	0.2	3	0.7	4	0.5	3	0.3	11	7.3
Total of 1 to 6	156	48.6	229	62.5	199	54.2	198	39.7	457	62.8
7. Guarantees for loans and deferred payments	2	5.3	3	10.6	4	8.2	—	—	1	0.01
8. Export Guarantees	—	—	—	—	—	—	—	—	—	0.6

Note : Number of applications in respect of item 4 relates to the number of manufacturers and in respect of item 5 to the number of financial institutions.

XURE 1 (B)

(EFFECTIVE)—1964-65 TO 1972-73 (JULY-JUNE)

(Amount in crores of rupees)

1969-70		1970-71		1971-72		1972-73		Total since inception of IDBI in July 1964	
Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
12	4·8	26	40·7	34	50·5	58	55·0	200	243·0
	3·1		23·7		26·9		21·2		155·5
	1·7		17·0		23·6		33·7		87·4
	(—)		(—)		(12·0)		(5·4)		(17·4)
15	6·1	12	4·1	21	14·2	37	7·8	158	48·8
	2·5		4·0		8·3		4·9		33·4
	3·6		0·03		5·9		2·9		15·4
	(—)		(—)		(2·0)		(1·1)		(3·1)
833	13·6	1370	24·1	1733	27·5	2407	33·3	7182	180·9
	7·8		10·3		9·0		6·5		112·7
	3·4		10·8		11·9		15·3		44·7
	2·4		2·7		3·1		3·4		11·7
	—		0·3		3·5		8·1		11·9
129	24·1	152	28·5	204	45·3	231	49·8	361	185·0
1	0·5	6	8·6	4	3·2	5	2·8	21	38·9
990	49·1	1566	105·9	1996	140·7	2738	148·7	7922	696·7
19	12·5	34	25·0	22	22·6	6	2·8	105	78·5
14	11·2	16	11·3	12	19·3	4	2·7	48	51·1
5	1·3	18	13·7	10	3·3	2	0·1	57	27·4
1009	61·6	1600	131·0	2018	162·2	2744	151·6	8027	775·2
1	0·1	2	2·1	—	—	1	0·3	14	26·7
—	—	2	1·1	—	0·1	—	—	3	1·8

## ANNEXURE 1(C)

## IDBI : TRENDS IN ASSISTANCE UTILISED—1964-65 TO 1972-73 (JULY-JUNE)

(In crores of rupees)

	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	IDBI in July 1964	Total since incep- tion of
	1	2	3	4	5	6	7	8	9	10	11
<b>1. Direct loans (other than for exports)</b>	—	19.9	20.7	18.0	15.3	10.9	4.9	9.6	25.2	124.5	
(a) Other than backward districts . . .	—	18.7	20.5	16.1	12.0	9.1	4.2	6.6	16.2	103.6	
(b) Backward districts . . . (Of which at concessional rate) . . .	—	1.2	0.2	1.9	3.3	1.8	0.7	3.0	9.0	20.9	
<b>2. Underwriting and direct subscriptions . . .</b>	0.4	5.3	5.2	1.1	1.6	2.2	3.7	1.8	5.0	26.4	
(a) Other than backward districts . . .	0.2	4.7	5.0	1.0	0.4	1.5	1.5	1.8	2.9	19.1	
(b) Backward districts . . . (Of which at concessional rate) . . .	0.2	0.6	0.2	0.1	1.2	0.7	2.2	0.01	2.1	7.3	
<b>3. Refinance of industrial loans . . .</b>	21.2	21.4	19.5	10.8	11.6	12.5	21.2	24.0	25.0	167	
(a) At normal rates . . .	21.2	21.4	19.5	7.3	4.4	3.5	4.1	1.0	1.5	83.9	
(b) At concessional rates (other than to small-scale industries small road transport operators and units in backward districts) . . .	—	—	—	3.4	5.7	7.0	8.7	8.5	5.8	39.1	
(c) At concessional rates											
(i) Small-scale industries . . .	—	—	—	0.1	1.5	1.9	7.6	10.0	10.4	31.5	
(ii) Small road transport operators . . .	—	—	—	—	—	0.1	0.7	3.0	2.9	6.7	
(iii) Backward districts . . .	—	—	—	—	—	—	0.1	1.5	4.4	6.0	
<b>4. Rediscounting of bills . . .</b>	0.1	1.9	6.1	10.6	13.3	20.6	24.3	38.3	42.5	157.8	
<b>5. Subscriptions to shares and bonds of financial institutions . . .</b>	6.3	1.7	7.4	3.9	4.5	0.5	3.8	5.3	2.8	36.2	
<b>Total of 1 to 5 . . .</b>	28.0	50.0	58.9	44.4	46.3	46.7	58.0	79.0	100.5	512.0	
<b>6. Export finance—</b>	—	0.9	0.4	0.3	2.5	5.6	21.9	15.0	6.1	52.6	
(i) Direct . . .	—	—	—	—	—	2.9	12.0	10.2	3.9	29.0	
(ii) Refinance . . .	—	0.9	0.4	0.3	2.5	2.7	9.9	4.8	2.2	23.6	
<b>Total of 1 to 6 . . .</b>	28.0	51.1	59.3	44.7	48.7	52.3	79.8	94.0	106.6	564.6	

## ANNEXURE II

## DIRECT FINANCIAL ASSISTANCE SANCTIONED DURING 1971-72, 1972-73 AND SINCE INCEPTION

(Amount in crores of rupees)

			No. of projects		Assistance sanctioned						
			Total	Those in backward districts	Loan		Underwriting		Guarantee		
					Total	Those in backward districts	Total	Those in backward districts	Total	Those in backward districts	
<b>1. Assistance to new projects</b>	1971-72	18	4	29·1	11·6	10·8	3·9	—	—	39·9	15·5
	1972-73	36	12	15·4	6·6	5·6	2·5	—	—	21·0	9·1
		(10)			(4·5)		(1·1)				(5·6)
	Upto June 1973	131	31	108·3	33·1	36·2	11·3	16·6	—	161·1	44·4
		(10)			(4·5)		(1·1)				(5·6)
Of which to technician-	1971-72	2	1	0·5	0·4	0·4	0·3	—	—	0·9	0·7
oriented porjects	1972-73	2	—	—	—	0·1	—	—	—	0·1	—
	Upto June 1973	13	1	1·0	0·4	1·6	0·3	—	—	2·6@	0·7
<b>2. Assistance for expansion/diversification</b>	1971-72	5	—	4·8	—	0·1	—	—	—	4·9	—
	1972-73	12	5	8·6	4·8	0·3	0·2	—	—	8·9	5·0
		(1)			(0·5)						(0·5)
	Upto June 1973	53	13	51·4	15·3	4·3	1·9	9·8	—	65·5	17·3
		(1)			(0·5)						(0·85)
<b>3. Assistance for modernisation/rationalisation</b>	1971-72	3	1	13·8	12·0	3·0	2·0	—	—	16·8	14·0
	1972-73	3	1	24·0	22·0	1·8	—	—	—	25·8	22·0
	Upto June 1973	10	3	44·4	34·2	4·8	2·0	—	—	49·2	36·2
		(1)			(12·0)		(2·0)				(14·0)
<b>4. Supplementary* assistance to industrial concerns</b>	1971-72	10	—	2·8	—	0·3	—	—	—	3·1	—
	1972-73	12	1	7·0	0·4	0·1	0·1	0·3	0·3	7·4	0·8
		(1)			(0·4)						(0·4)
	Upto June 1973	58	7	38·8	4·8	2·2	0·1	0·3	0·3	41·4	5·2
		(1)			(0·4)						(0·4)
<b>5. Subscription to rights issue by assisted concerns</b>	1971-72	—	—	—	—	—	—	—	—	—	—
	1972-73	—	—	—	—	0·1	0·03	—	—	0·1	0·03
	Upto June 1973	—	—	—	—	1·3	0·1	—	—	1·3	0·1
	Total	36	5	50·5	23·6	14·2	5·9	—	—	64·7	29·5
			(1)		(12·0)		(2·0)				(14·0)
		63	19	55·0	33·7	7·8	2·9	0·3	0·3	63·1	37·0
		(12)			(5·4)		(1·1)				(6·5)
	Upto June 1973	216	52	243·0	87·4	48·8	15·4	26·7	0·3	318·5	103·1
		(13)			(17·4)		(3·1)				(20·5)

*Note :* Figures in brackets relate to assistance sanctioned at concessional rate.

@ Figures does not include additional assistance provided to such projects.

\* That is, assistance for (i) meeting overruns in projects cost arising from delays in implementation, rise in cost of machinery and building materials, shortfall in estimated cash resources, etc., (ii) relieving strain on cash resources of companies which had earlier utilised working capital funds for acquisition of fixed assets, (iii) financial re-organisation, etc.

## IDBI'S DIRECT FINANCE TO INDUSTRIAL CONCERN

Sr. No.	Name of the company (District/State)	Cost of the project	Means of Financing			
			Ordinary and preference shares	Debentures	Loans etc.*	Deferred payments
(1)	(2)	(3)	(4)	(5)	(6)	
1. Dey-se-Chem Ltd. (Calcutta, West Bengal)		21·50	—	—	19·00	1·6
2. Galada Continuous Castings Ltd. (Hyderabad A.P.)		31·50	14·00	—	17·50	—
3. Haryana Coated Papers Ltd. (Dist. Gurgaon, Haryana)		79·00	30·00	—	46·74	2·26
4. Bhatia Electric Steel Co. Ltd. (Dist. Gurgaon, Haryana)		80·53	10·00	—	70·53	—
					(50·53)	
5. Bharat Gears Lt . (Dist. Thana, Maharashtra)		460·00	190·00	—	266·00	4·00
6. Bombay Malleable Iron Castings and Allied Industries Ltd. (Dist. Thana, Maharashtra)		30·00	10·00	—	19·50	—
7. Nagaland Sugar Mills C. Ltd. (Dist. Kohima, Nagaland)@@		370·00	165·00	—	205·00	—
8. Shree Synthetics Ltd. (Dist. Ujjain, M. P.)		836·97	325·00	—	490·00	—
					(33·00)	
9. Swadeshi Polytex Ltd. (Dist. Ghaziabad, U. P.)		1377·00	545·60	—	813·40	18·00
10. Usha Alloys and Steels Ltd. (Dist. Jamshedpur, Bihar)		283·00	120·00	—	163·00	—
11. Punjab Breweries Ltd. (Dist. Ludhiana, Punjab)		205·00	105·00	—	100·00	—
12. Haryana Breweries Ltd. (Dist. Rohtak, Haryana)		180·00	90·00	—	90·00	—
13. East West Hotels Ltd. (Bangalore, Mysore)		85·00	35·00	—	50·00	—
14. Central Pulp Mills Ltd. (Dist. Surat, Gujarat)		410·00	100·00	—	310·00	—
15. Kamani Engineering Corporation Ltd. (Bombay, Maharashtra and Jaipur, Rajasthan)		289·00***	50·00	75·00	164·00	—
					(74·00)	
16. Oriental Hotels Ltd. (Madras, Tamil Nadu)		380·00	140·00	—	240·00	—
17. Sylvania & Laxman Ltd. (New Delhi)		344·00	140·00	—	204·00	—
					(10·24)	
18. Universal Glass Ltd. (Dist. Meerut, U. P.)		210·00	90·00	—	116·10	3·90
19. Bilaspur Spinning Mills and Industries Ltd. (Bilaspur, M. P.)@@		125·00	30·00	—	95·00++	—
20. Mysore Acetate and Chemicals Co. Ltd. (Dist. Mandya, Mysore)		49·25	—	—	49·25	—
21. Orissa Industries Ltd. (Dist. Sundergarh, Orissa)		226·00	45·00	—	181·00	—
					(71·00)	
22. Sri Chamundeswari Sugars Ltd. (Dist. Mandya, Mysore)		350·00	150·00	—	200·00	—
23. West Coast Paper Mills Ltd. (Dist. North Kanara, Mysore)@@		585·00	84·00	—	501·00	—
					(160·00)	
24. Kerala Tourism Development Corporation Ltd. (Dist. Ernakulam, Kerala)		75·00	27·00	—	48·00	—
25. Ajay Electrical Industries Ltd. (Dist. Rupar, Punjab) ..		88·58	36·00	—	51·08	1·58
26. Eddy Current Controls (India) Ltd. (Dist. Trichur, Kerala)@@		40·00	18·00	—	22·00	—
27. Nagpal Ambadi Petro-Chem Refining Ltd. (Dist. Chingleput, Tamil Nadu) ..		567·14	250·00	—	317·14	—
					(37·14)	
28. Saroj Alloys & Steels Ltd. (Dist. Bellary, Mysore)		98·00	48·00	—	50·00	—
29. Tata Electric Companies (Dist. Kolaba and Poona, Maharashtra)		2149·93	—	400·00	1750·00	—
30. Triveni Sheet Glass Works Ltd. (Allahabad, U.P.) ..		247·00	100·00	—	147·00	—
31. Saraswati Steel and Alloys Ltd. (Dist. Muzaffarnagar, U.P.) ..		83·25	40·75	—	42·50	—
32. Northern India Hotels Ltd. (Agra, U.P.) ..		91·50	35·00	—	56·50	—
33. Meena Steels Ltd. (Dist. Unnao, U.P.)@@		110·00	45·00	—	65·00	—

**URE III**  
**DETAILS OF SANCTIONS DURING 1972-73**

(In lakhs of rupees)

Contribution to project cost of promoters and collaborators			Financial Assistance Sanctioned by IDBI				Percentage of 9 to 2	Percentage of 13 to 2	
Promot- ers Directors etc.	Collabo- rators	Total of 7 and 8**	Loans@	Underwriting	Total of 10 to 12@	Guaran- tee@			
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
—	—	—	18·00†	—	—	18·00	—	—	83·7
6·00	—	6·00	(33·00)	(7·50)	—	(40·50)	—	—	—
13·05	—	13·05	—	4·00	—	4·00	—	19·0	12·7
(1·05)	—	(1·05)	—	6·00	—	6·00	—	16·5	7·6
60·53	—	60·53	20·00	—	—	20·00	—	75·2	24·8
69·00	—	69·00	60·00	23·00	—	83·00	—	15·0	18·0
—	—	—	15·00†	5·00†	—	20·00	—	—	66·7
270·00	—	270·00	50·00	21·25	—	50·00	—	73·0	13·5
(105·00)	—	(105·00)	—	—	—	—	—	—	—
142·00	145·75	287·75	30·00	(144·25)	(22·50)	30·00	(166·75)	34·4	0·4
199·40	—	199·40	40·00	—	—	40·00	—	14·5	2·9
(34·40)	—	(34·40)	(260·00)	(70·00)	—	(330·00)	—	—	(24·0)
36·00	—	36·00	58·00	14·10	—	72·10	—	12·7	25·5
60·00	—	60·00	35·00	—	—	35·00	—	29·3	17·1
49·42	—	49·42	40·00	—	—	40·00	—	27·5	22·2
15·00	—	15·00	10·00	7·50§	—	17·50	—	17·6	20·6
—	—	—	46·00	—	—	46·00	—	—	11·2
74·00	—	74·00	30·00	1·75	—	31·75	—	25·6	11·0
—	—	—	(101·30)	—	—	(103·05)	—	—	(35·6)
54·00	11·00	65·00	50·00	20·00	—	70·00	—	17·1	18·4
24·24	32·00	56·24	25·00	5·00	—	30·00	—	16·3	8·7
36·00	—	36·00	37·00	10·00	—	47·00	—	17·1	22·4
10·00	—	10·00	43·00	—	—	45·00	—	8·0	36·0
—	28·25	28·25	16·00	—	—	16·00	—	57·4	32·5
71·00	—	71·00	65·00	—	—	65·00	—	31·4	28·8
56·00	—	56·00	55·00	25·00	—	80·00	—	16·0	22·8
244·00	—	244·00	40·00	—	—	40·00	—	41·7	6·8
27·00	—	27·00	20·0	—	—	20·00	—	36·0	26·7
9·50	8·00	17·50	—	5·00	—	5·00	—	19·8	5·6
(5·50)	—	(5·50)	—	—	—	—	—	—	—
9·18	—	9·18	11·00††	5·00††	—	16·00	—	23·0	40·0
97·14	—	97·14	80·00	—	—	80·00	—	17·1	14·1
—	—	—	(105·00)	(20·50)	—	(125·50)	—	—	(22·1)
16·00	—	16·00	40·00	8·00	—	48·00	—	16·3	49·0
1250·00	—	1250·00	100·00	—	175·00	275·00†	—	58·1	12·8
37·00	—	37·00	40·30	15·00	—	55·30	—	15·0	22·4
16·50	—	16·50	—	5·00	—	5·00	—	19·8	6·0
(0·50)	—	(0·50)	—	—	—	—	—	—	—
13·70	—	13·70	—	5·15	—	5·15	—	15·0	5·6
18·00	—	18·00††	40·00	10·50††	—	50·50	—	16·4	45·9

Sr. No.	Name of the company (District/State)	Cost of the project	Means of Financing			
			Ordinary and preference shares	Debentures	Loans etc.*	Deferred payments
(1)	(2)	(3)	(4)	(5)	(6)	
34.	Mohan Steels Ltd. (Dist. Unnao, U.P.)@@ ..	110·00	45·00	—	65·00	—
35.	Excelsior Plants Corporation Ltd. (Faridabad, Haryana) .. .. .. ..	68·21	32·00	—	32·50	3·71
36.	Mohta Alloys and Steels Ltd. (Dist. Ludhiana, Punjab) .. .. .. ..	116·00	50·00	—	42·00	24·00
37.	Utkal Machinery Ltd. (Dist. Sundergarh, Orissa) .. .. .. ..	358·00	—	—	355·00 (264·00)	3·00
38.	Columbian Carbon (India) Ltd. (Dist. Chingleput, Tamil Nadu) .. .. .. ..	485·00	180·00	—	305·00	—
39.	Elphinstone Spg. & Wvg. Mills Co. Ltd. (Bombay, Maharashtra) .. .. .. ..	130·34	18·00	—	112·34 (7·34)	—
40.	Madras Cements Ltd. (Dist. Ramanathapuram, Tamil Nadu)@@ .. .. .. ..	970·00	170·00	—	800·00 (50·00)	—
41.	Mahindra & Mahindra Ltd. (Bombay, Maharashtra) .. .. .. ..	1429·00\$§§	225·00	—	1204·00 (541·30)	—
42.	Panyam Cements & Mineral Industries Ltd. (Dist. Kurnool, A.P. @@ & Bellary, Mysore) .. .. .. ..	540·00	—	—	540·00 (172·00)	—
43.	Singh Alloys & Steels Ltd. (Dist. Nadia, W. Bengal)@@ .. .. .. ..	105·00	45·00	—	60·00	—
44.	S. P. Engineering Products Ltd. (Calcutta, W. Bengal) .. .. .. ..	69·55	30·00	—	39·55 (10·75)	—
45.	Allied International Products Ltd. (Dist. Moradabad, U.P.)@@ .. .. .. ..	200·00	90·00	—	75·00	35·00
46.	Bright Wires Ltd. (Dist. 24-Parganas, W. B.) .. .. .. ..	156·00	65·00	—	85·00	6·00
47.	Chitradurga Copper Co. Ltd. (Dist. Chitradurga, Mysore) .. .. .. ..	214·00	100·00	—	114·00 (14·00)	—
48.	Nalanda Ceramics and Industries Ltd. (Ranchi, Bihar) .. .. .. ..	255·00	100·00	—	155·00	—
49.	Uttar Pradesh Hotels and Restaurants Ltd. (Lucknow, U.P. & Jaipur, Rajasthan) .. .. .. ..	287·00	59·00	—	228·00 (14·00)	—
50.	Dolphin Hotels Ltd. (Visakhapatnam, A.P.)	100·00	45·00	—	55·00	—
51.	Bhartia Arc Steel Ltd. (Dist. Purulia, W. Bengal)@@ .. .. .. ..	105·00	40·00	—	65·00	—
52.	Canara Steels Ltd. (Dist. South Kanara, Mysore)@@ .. .. .. ..	102·00	40·00	—	62·00	—
53.	Gangavati Sugars Ltd. (Dist. Raichur, Mysore)@@ .. .. .. ..	525·00	190·00	—	335·00	—
54.	Textile Processing Corporation of India Ltd. (Calcutta, W. Bengal)## .. .. .. ..	450·00	180·00	—	270·00	—
55.	Southern Petro-Chemical Industries Corporation Ltd. (Madras, Tamil Nadu) .. .. .. ..	8254·00	1900·00	—	6354·00 (460·00)	—
56.	Rishabh Ispaat Ltd. (Dist. Bulandshahr, U.P.)@@ .. .. .. ..	96·00	40·00	—	56·00	—
57.	Uttara Khand Glass Works Ltd. (Dist. Rae Bareli, U.P.)@@ .. .. .. ..	160·00	60·00	—	100·00	—

## XURE III—(Contd.)

(In lakhs of rupees)

Contribution to project cost of promoters and collaborators			Financial Assistance Sanctioned by IDBI					Perce- ntage of 9 to 2	Perce- ntage of 13 to 2	
Promoters, Directors etc. 4**	Collabora- tors	Total of 7 and 8**	Loans@		Underwriting		Total of .. 10 to 12@	Guaran- tee@		
			Ordinary shares@	Debentures @	(11)	(12)				
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
18·00	—	18·00	40·00††	10·50††	—	50·50	—	16·4	45·9	
7·00	3·71	10·71	9·00	—	—	9·00	—	15·7	13·2	
18·50	—	18·50	—	5·00	—	5·00	—	15·9	4·3	
264·00	—	264·00	25·00 (85·00)	—	—	25·00 (85·00)	—	73·7	7·0 (23·7)	
48·00	52·00	100·00	63·00	10·00	—	73·00	—	20·6	15·1	
25·34	—	25·34	105·00§§	—	—	105·00†	—	19·4	80·6	
170·0	—	170·00	240·00	25·00	—	265·00	—	17·5	27·3	
541·30	—	541·30	150·00	—	—	150·00	—	37·9	10·5	
172·00	—	172·00	100·00	—	—	100·00	—	31·9	18·5	
18·00	—	18·00	40·00††	10·00††	—	50·00	—	17·1	47·6	
27·30 (3·80)	—	27·30 (3·80)	25·00	8·00	—	33·00	—	39·3	47·4	
38·00	—	38·00	37·50††	7·42‡ (16·42)	—	44·92 (53·92)	31·28	19·0	22·5 (27·0)	
33·00 (6·00)	—	33·00 (6·00)	30·00	5·00	—	35·00	—	21·2	22·4	
100·00	—	100·00	50·00	—	—	50·00	—	46·7	23·4	
38·25	—	38·25	105·00§§	36·75§§	—	141·75	—	15·0	55·6	
14·00	16·50	30·50	65·00	—	—	65·00	—	10·6	22·6	
20·00	—	20·00	—	10·00	—	10·00	—	20·0	10·0	
16·00	—	16·00	50·00††	5·00††	—	55·00	—	15·2	52·4	
16·00	—	16·00	31·00††	6·00††	—	37·00	—	15·7	36·3	
73·95	—	73·95	100·00§§	33·55	—	133·55	—	14·1	25·4	
60·00	—	60·00	100·00§§	50·00§§	—	150·00	—	13·3	33·3	
1379·00	—	1379·00	300·00 (1325·00)	— (436·00)	—	300·00 (1761·00)	—	16·7	3·6 (21·3)	
16·00	—	16·00	36·00††	6·00††	—	42·00	—	16·7	43·8	
24·00	—	24·00	45·00††	15·00††	—	60·00	—	15·0	37·5	

Sr. No.	Name of the company (District/State)	Cost of the project	Means of Financing			
			Ordinary and preference shares	Debentures	Loans etc*	Deferred pay- ments
(1)	(2)	(3)	(4)	(5)	(6)	
58. Assam Petro-Chemicals Ltd. (Dist. Lakhimpur, Assam)@@ .. . . .	900·00	300·00	—	600·00	—	
59. Indian Iron & Steel Co. Ltd. (Dist. Burdwan, W. Bengal)@@ .. . . .	4300·00	—	—	4300·00	—	
60. Mysore Petro-Chemicals Ltd. (Dist. Raichur, Mysore)@@ .. . . .	445·00	170·00	—	275·00	—	
61. Punjab Con-Cast Steels Ltd. (Dist. Ludhiana, Punjab) .. . . .	291·00	115·00	—	176·00	—	
62. Rajasthan Spg. & Wvg. Mills Ltd. (Dist. Bhilwara, Rajasthan) @@ .. . . .	150·00	—	—	150·00 (40·00)	—	
63. Sakthi Sugar Ltd. (Dist. Coimbatore, Tamil Nadu) .. . . .	255·00	—	—	255·00 (55·00)	—	
<b>Sub-Total</b> .. . . .	<b>32184·25</b>	<b>7357·35</b>	<b>475·00</b>	<b>24225·63</b> <b>(3314·30)</b>	<b>103·07</b>	

*Subscriptions to rights issues :*

1. Andhra Pradesh Paper Mills Ltd., (Dist. East Godavari, A.P.) .. . . .	75·00
2. Graphite India Ltd., (Dist. Burdwan, W.B.)@@ .. . . .	25·84

<b>Grand Total</b> .. . . .	<b>32184·25</b>	<b>7458·19</b>	<b>475·00</b>	<b>24225·63</b> <b>(3314·30)</b>	<b>103·07</b>
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**Note :** Figures are based on information available at the time the assistance sanctioned. In respect of certain projects, the contribution of promoters, directors, etc. are based on the information available in the relative prospectuses.

\*Figures within brackets relate to internal resources, cash accruals, etc. included in the main figures.

\*\*Includes internal resources, cash accruals, etc. Promoters' and collaborators' contribution in the form of loans, deposits, etc. included in the main figures is also shown separately in brackets.

@Figures in brackets relate to total assistance including additional assistance sanctioned by the IDBI for financing the project.

§Includes undisbursed amount of Rs. 1 lakh out of earlier sanction by IDBI for financing the rehabilitation scheme.

†Assistance for rehabilitation/renovation/modernisation scheme.

+Includes direct subscription of Rs. 1·40 lakhs.

@@Specified backward districts.

## XURE III—(Concl'd.)

(In lakhs of rupees)

Contribution to project of promoters and collaborators			Financial Assistance Sanctioned by IDBI					Percentage of 9 to 2	Percentage of 13 to 2
Promoters, Directors, etc.	Collaborators	Total of 7 and 8 **	Loans@	Underwriting Ordinary and preference shares@	Total of 10 to 12@	Guarantee@			
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
158.50	—	158.50	110.00 & 2200.00 (2206.00) &&	111.50 —	—	221.50 2200.00 §§ (2206.00)&&	—	17.6	24.6 51.2
66.30	—	66.30	105.00††	40.00††	—	145.00	—	14.9	32.6
58.00	—	58.00	116.00	30.00	—	146.00	—	19.9	50.2
40.00	—	40.00	55.00††	—	—	55.00	—	26.7	36.7
55.00	—	55.00	50.00	—	—	50.00	—	21.6	19.6
<b>6499.10</b> <b>(156.25)</b>	<b>297.21</b>	<b>6796.31</b> <b>(156.25)</b>	<b>5498.80</b> <b>(7373.35)</b>	<b>599.72</b> <b>(1259.47)</b>	<b>175.00</b>	<b>6273.52</b> <b>(8807.82)</b>	<b>31.28</b>	<b>21.1</b>	<b>19.5</b> <b>(27.4)</b>
5.64 (50.64) 2.67 (28.77)									
<b>6499.10</b> <b>(156.25)</b>	<b>297.21</b>	<b>6796.31</b> <b>(156.25)</b>	<b>5498.80</b> <b>(7373.35)</b>	<b>608.03</b> <b>(1338.88)</b>	<b>175.00</b>	<b>6281.83</b> <b>(8887.23)</b>	<b>31.28</b>	<b>21.1</b>	<b>19.5</b> <b>(27.6)</b>

††Assistance on concessional terms.

§§To be reduced by such amount as may be sanctioned by other financial institutions/brokers.

\*\*\*Relates to margin money for working capital.

\*\*Includes Rs. 5 lakhs by way of Central Government subsidy.

§§§Following the merger of Union Bank of India Ltd. with the company, part of the project cost is proposed to be financed out of the compensation received by the firm from Government.

‡Rights Issues.

††The project has been promoted by IRCl.

&amp; Guarantee-cum-Loan.

&amp;&amp; Assistance for financing the rehabilitation scheme. IDBI had earlier in September 1966 sanctioned loan of Rs. 5 crores for financing its 'balancing of plant' scheme. The company availed of Rs. 6 lakhs out of this loan which was repaid. With the sanction of the fresh loan in June 1973, the earlier loan was cancelled.

## ANNEXURE IV

## IDBI'S DIRECT LOANS AND GUARANTEES FOR EXPORTS—DETAILS OF SANCTIONS DURING 1972-73

(In lakhs of rupees)

Sr. No.	Item of export	Currency of payment	Total assistance required of IDBI and commercial banks		IDBI's share in total assistance sanctioned	
			Post-shipment loans	Guarantees	Post-shipment loans	Guarantees
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Export Loan 1	Textile machinery and spares	Indian Rupees	7·82	—	3·91 (50%)	—
" 2	Textile machinery and spares	Indian Rupees	13·14	—	8·80* (70%)	—
" 3	Steel materials for civil construction work	Indian Rupees	6·57	—	4·14* (60%)	—
" 4	Sugar mill machinery (Turn-key project)	Indian Rupees	228·73	—	114·37 (50%)	—
" 5	Rails	U.S. Dollars	184·30	—	92·15 (50%)	—
" 6	Rails	U.S. Dollars	93·24	—	46·62 (50%)	—
	Total		533·80	—	269·99	—

*Note :* Percentages in brackets indicate the extent of IDBI's participation.

\*Enhancement in earlier sanction.

## ANNEXURE V

CLASSIFICATION OF EXPORT FINANCE\* SANCTIONED BY THE IDBI UPTO THE END OF JUNE 1973  
ACCORDING TO DESTINATION OF EXPORTS AND COMMODITY EXPORTED

(In crores of rupees)

Name of the country	Value of exports financed by IDBI/ Banks	Amount of IDBI assistance	Commodity			
			Transmission line towers and conductors	Textile machinery	Steel rails, bars and railway equipment	Steel construction aids
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Iran	45·53	25·40	15·90	0·11	6·88	—
Yugoslavia	18·56	11·15	—	—	—	—
A.R.E.	15·91	10·79	—	9·66	—	0·62
Republic of Korea	11·80	5·89	—	—	5·89	—
Hungary	8·35	4·27	—	—	—	—
Burma	6·86	4·10	—	—	4·10	—
Nigeria	5·40	3·80	0·18	—	—	—
Malaysia	4·79	2·59	—	—	—	—
Uganda	3·26	1·61	—	—	—	—
Ceylon	1·83	1·40	—	—	—	—

## ANNEXURE V—Contd.

(In crores of rupees)

(1)	(2)	(3)	(4)	Commodity			(7)
				(5)	(6)		
Argentina ..	..	1.93	1.09	—	—	1.09	—
Thailand ..	..	2.15	0.89	0.77	0.12	—	—
Sudan ..	..	3.98	0.88	0.25	0.63	—	—
Indonesia ..	..	1.24	0.60	—	—	0.21	—
New Zealand ..	..	1.30	0.53	—	—	0.53	—
GDR (East Germany) ..	..	0.39	0.39	—	0.39	—	—
Czechoslovakia ..	..	0.39	0.31	—	0.31	—	—
West Germany ..	..	0.30	0.28	—	—	—	—
Kenya ..	..	0.21	0.14	—	—	—	—
Poland ..	..	0.19	0.14	—	0.14	—	—
Lebanon ..	..	0.01	0.01	—	0.01	—	—
Others ..	..	3.17	2.23	—	—	—	—
Total ..	..	137.55	78.49	17.10	11.37	18.70	0.62

(In crores of rupees)

(1)	Commodity										(16)
	Railway Wagons	Diesel engines	Sugar mill machinery	Automobiles and spares	Water treatment plants	Fire-fighting equipments	Boilers	Air-conditioning and refrigeration equipment	Others		
Iran ..	2.51	—	—	—	—	—	—	—	—	—	—
Yugoslavia ..	11.06	—	—	—	—	—	—	—	—	—	0.09
A. R. E. ..	—	—	—	0.17	0.18	0.16	—	—	—	—	—
Republic of Korea ..	—	—	—	—	—	—	—	—	—	—	—
Hungary ..	4.27	—	—	—	—	—	—	—	—	—	—
Burma ..	—	—	—	—	—	—	—	—	—	—	—
Nigeria ..	—	—	—	3.50	—	—	—	—	—	0.12	—
Malaysia ..	—	—	1.14	—	—	—	—	1.45	—	—	—
Uganda ..	—	—	1.61	—	—	—	—	—	—	—	—
Ceylon ..	—	—	—	1.36	—	—	—	—	—	—	0.04
Argentina ..	—	—	—	—	—	—	—	—	—	—	—
Thailand ..	—	—	—	—	—	—	—	—	—	—	—
Sudan ..	—	—	—	—	—	—	—	—	—	—	—
Indonesia ..	—	—	—	0.13	—	—	—	—	—	—	0.26
New Zealand ..	—	—	—	—	—	—	—	—	—	—	—
GDR (East Germany) ..	—	—	—	—	—	—	—	—	—	—	—
Czechoslovakia ..	—	—	—	—	—	—	—	—	—	—	—
West Germany ..	—	0.28	—	—	—	—	—	—	—	—	—
Kenya ..	—	—	—	—	—	—	—	—	—	—	0.14
Poland ..	—	—	—	—	—	—	—	—	—	—	—
Lebanon ..	—	—	—	—	—	—	—	—	—	—	—
Others ..	—	2.08	—	—	—	—	—	—	—	—	0.15
Total ..	17.84	2.36	2.75	5.16	0.18	0.16	1.45	0.12	0.68		

\*Comprising direct loans for exports and refinance of medium-term export credits.

—349GI/73

ANNE  
INDUSTRY-WISE CLASSIFICATION OF FINANCIAL ASSISTANCE

1972-73

Industry	Financial Assistance Sanctioned					Utilisation	
	Loans (other than for exports)	Under- writing	Refinance of Industrial Loans	Re- discount	Export Finance †	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Coal Mining .. . . .	—	—	8·0	—	—	8·0	13·6
2. Stone, Quarrying Clay and Sand pits .. . . .	—	—	53·2	—	—	53·2	36·1
3. Metal Mining .. . . .	—	—	0·6	—	—	0·6	2·8
4. Food Manufacturing Industries, except Beverage Industries							
(a) Sugar .. . . .	255·0	58·6	9·7	—	—	323·3	5·4
(b) Others .. . . .	—	—	498·3	—	—	498·3	310·1
5. Beverage Industries .. . . .	75·0	—	—	—	—	75·0	—
6. Tobacco Manufacturing Industries .. . . .	—	—	0·2	—	—	0·2	0·04
7. Manufacture of Textiles							
(a) Cotton Textiles .. . . .	305·0	50·0	103·7	—	—	458·7	140·4
(b) Others .. . . .	—	—	161·3	—	—	161·3	88·1
8. Manufacture of Wood and Cork except manufacture of Furniture .. . . .	—	—	27·6	—	—	27·6	13·3
9. Manufacture of Furniture and Fixtures .. . . .	—	—	22·8	—	—	22·8	7·0
10. Manufacture of Paper and Paper Products .. . . .	86·0	11·6	73·7	—	—	171·3	708·5
11. Printing, Publishing and Allied Industries .. . . .	—	—	30·1	—	—	30·1	39·7
12. Manufacture of Leather and Leather and Fur Products except foot-wear and other wearing apparel .. . . .	—	—	13·5	—	—	13·5	8·1
13. Manufacture of Leather Foot-wear and Wearing Apparel .. . . .	—	—	—	—	—	—	0·1
14. Manufacture of Rubber Products .. . . .	—	—	106·2	—	—	106·2	100·0
15. Manufacture of Chemicals and Chemical Products							
(a) Basic Industrial chemicals other than fertilisers .. . . .	294·0	161·5	83·2	—	—	538·7	38·2
(b) Fertilisers .. . . .	300·0	—	18·9	—	—	318·9	1210·1
(c) Vegetables and animal oils and fats (except edible oils) .. . . .	—	—	21·7	—	—	21·7	10·6
(d) Manufacture of artificial fibres	70·0	—	—	—	—	70·0	256·7
(e) Manufacture of chemical and dissolving pulp (rayon grade) ..	—	—	—	—	—	—	(42·3)
(f) Manufacture of paints, varnishes and lacquers .. . . .	—	—	8·6	—	—	8·6	3·2
(g) Manufacture of miscellaneous chemical products .. . . .	18·0	—	252·9	—	—	270·9	187·8
16. Manufacture of Products of Petroleum and Coal .. . . .	80·0	—	9·7	—	—	89·7	4·2
17. Manufacture of Non-Metallic Mineral Products except products of petroleum and coal							
(a) Manufacture of structural clay products .. . . .	65·0	—	50·0	—	—	115·0	48·6

**XURE VI**  
**SANCTIONED (EFFECTIVE) BY THE IDBI AND UTILISATION THEREOF**

(In lakhs of rupees)

1971-72										Since inception of IDBI upto the end of June 1973		
Loans (other than for exports)	Financial Assistance Sanctioned					Utilisation	Total assistance sanctioned	Percentage of assistance utilisation* sanctioned to total for all industries	Total utilisation*			
	Under- writing	Refinance of indus- trial Loans	Rediscount	Export Finance†	Total				(17)	(18)		
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)			
—	—	5·6	—	—	5·6	—	88·8	0·1	245·1			
75·0	—	20·1 2·4	—	—	20·1 77·4	12·5 —	116·0 128·9	0·2 0·2	87·9 50·9			
45·2	31·1	27·4 338·4	—	—	27·4 414·7	63·8 248·1	641·7 1494·5	0·9 2·0	329·7 1084·7			
—	—	—	—	—	—	—	75·0	0·1	—			
—	—	0·7	—	—	0·7	1·3	2·7	..	2·4			
23·0	4·0	51·5	—	—	78·5	239·8	3471·0	4·7	3355·9			
—	—	43·5	—	—	43·5	98·6	1264·2	1·7	1138·6			
—	—	7·7	—	—	7·7	13·3	90·3	0·1	101·5			
—	—	18·2	—	—	18·2	8·4	55·8	0·1	25·2			
1282·0	236·9	77·3	—	—	1596·2	201·1	3200·6	4·3	1714·3			
—	—	51·6	—	—	51·6	39·2	215·1	0·3	192·6			
—	—	3·9	—	—	3·9	4·7	25·8	..	16·8			
275·0	50·0	7·7 75·3	—	—	7·7 400·3	21·9 66·0	68·4 696·6	0·1 0·9	67·5 319·2			
325·0	—	17·2	—	—	342·2	36·8	4463·4 (1081·4)	6·1	2968·1 (1081·4)			
2055·0	774·0	40·3	—	—	2869·3	74·8	8165·1 (1085·0)	11·1	5054·3 (573·1)			
—	—	24·6	—	—	24·6	20·9	120·8	0·2	93·5			
171·0	50·0	43·1	—	—	264·1	281·6	1111·1 (42·3)	1·5	773·7 (42·3)			
—	—	4·1	—	—	4·1	38·1	200·0 127·2	0·3 0·2	200·0 118·1			
10·0	—	265·9	—	—	275·9	262·2	1653·1 (8·4)	2·2	1423·4 (8·4)			
—	—	7·7	—	—	7·7	29·2	142·9	0·2	72·0			
25·0	—	19·7	—	—	44·7	11·8	233·1	0·3	129·3			

Industry	Financial Assistance Sanctioned						Utilisation
	Loans (other than for ex- ports)	Under- writing	Refinance of Industrial Loans	Re- discount	Export Finance	Total	
						(1)	(2)
(b) Manufacture of glass and glass products .. . . . .	122.3	40.0	13.5	—	—	175.8	47.3
(c) Manufacture of pottery, China and earthenware (ceramics) .. . . . .	105.0	36.8	36.2	—	—	178.0	17.2
(d) Cement .. . . . .	340.0	25.0	11.0	—	—	376.0	12.1
(e) Grinding wheels and abrasives .. . . . .	—	—	—	—	—	—	0.5
(f) Asbestos .. . . . .	—	—	—	—	—	—	—
(g) Not elsewhere classified .. . . . .	—	—	50.7	—	—	50.7	43.9
18. Basic Metal Industries							
(a) Iron and steel basic industries .. . . . .	2716.0	120.1	229.6	—	138.8	3204.5	828.4
(b) Non-ferrous metal basic industries .. . . . .	50.0	4.0	21.7	—	—	75.7	18.1
19. Manufacture of Metal Products except machinery and transport equipment .. . . . .	—	—	415.6	—	—	415.6	240.0
20. Manufacture of Machinery except electrical machinery .. . . . .	71.5 (31.3)	7.4	191.1	4984.1@	133.2	5387.3 (31.3)	4722.1
21. Manufacture of Electrical Machinery Apparatus, Appliances and Supplies	91.0	27.4	116.1	—	11.9	246.4	536.7 (7.8)
22. Manufacture of Transport Equipment	210.0	23.0	95.7	—	—	328.7	134.9
23. Miscellaneous Manufacturing Industries							
(a) Manufacture of professional scientific measuring and controlling instruments .. . . . .	—	—	1.0	—	—	1.0	0.7
(b) Manufacture of watches and clocks .. . . . .	—	—	1.9	—	—	1.9	1.0
(c) Plastic moulded goods .. . . . .	—	—	36.0	—	—	36.0	48.8
(d) Surgical dressing etc. .. . . . .	—	—	16.6	—	—	16.6	4.0
(e) Cigarette filters .. . . . .	—	—	—	—	—	—	—
(f) Stationery articles .. . . . .	—	—	7.4	—	—	7.4	5.4
(g) Water meters, steam meters and electricity meters .. . . . .	—	—	—	—	—	—	—
(h) Roofing materials .. . . . .	—	—	—	—	—	—	—
(i) Musical instruments .. . . . .	—	—	—	—	—	—	—
(j) Manufacture of thermal and acoustic insulators .. . . . .	—	—	—	—	—	—	—
(k) Photographic and optical instruments .. . . . .	—	—	2.7	—	—	2.7	0.3
(l) Packing material .. . . . .	—	—	26.5	—	—	26.5	28.1
(m) Not elsewhere classified .. . . . .	—	—	31.6	—	—	31.6	55.5
24. Electricity, Gas, Water and Sanitary Services, Gas Manufacture and distribution (industrial Gases) .. . . . .	100.0	175.0	16.0	—	—	291.0	0.5
25. Services							
(a) Hotel industry .. . . . .	145.0	42.6	74.5	—	—	262.1	65.7
(b) Road transport .. . . . .	—	—	343.3	—	—	343.3	294.9
(c) Others .. . . . .	—	—	35.8	—	—	35.8	43.5
<b>Total</b> .. . . . .	<b>5498.8 (31.3)</b>	<b>783.0</b>	<b>3328.4</b>	<b>4984.1</b>	<b>283.9</b>	<b>14878.2 (31.3)</b>	<b>10382.1 (50.1)</b>

Note : Figures within brackets relate to guarantees for loans and deferred payment/advance payment guarantees (export credit) sanctioned and execute, which have not been included in the main figures.

\* Inclusive of disbursements made in respect of refinance assistance sanctioned by the Refinance Corporation for Industry prior to its merger with the IDBI,

† Comprising direct loans for export and refinance of export credit.

@ Including assistance to manufacturers of electrical machinery and transport equipments.

.. Negligible.

## XURE VI—(Contd.)

(In lakhs of rupees)

1971-72						Since inception of JDBI upto the end of June 1973				
Financial Assistance Sanctioned						Utilisa-	Total assistance sanctioned	Percentage of assistance sanctioned to total for all industries	Total utilisation*	
Loans (other than for exports)	Under-writing	Refinance of Industrial Loans	Rediscount	Export Finance†	Total	(15)	(16)	(17)	(18)	
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
70·4	17·3	23·9	—	—	111·6	78·8	621·8	0·8	395·7	
—	—	7·8	—	—	7·8	9·0	281·3	0·4	113·3	
—	—	5·0	—	—	5·0	3·7	1722·0 (248·5)	2·3	1179·7 (248·5)	
—	—	2·2	—	—	2·2	0·3	2·5	..	4·8	
—	—	0·6	—	—	0·6	2·3	43·2	0·1	43·1	
22·5		50·8			73·3	60·8	236·0	0·3	166·2	
441·0	167·5	216·1	—	1324·7	2149·3	986·4	9537·3	13·0	4379·1	
15·0	5·0	10·4	—	—	30·4	81·0	1200·9 (171·0)	1·6	605·1	
70·8	35·0	295·7	—	—	295·7	274·1	1274·9	1·7	928·3	
		144·0	4528·7@	461·8	5240·3	4646·0	23527·9 (32·3)	32·0	19979·0 (1·1)	
—	4·0	115·6	—	469·6	589·2	316·5	3586·1	4·9	2895·3	
				(11·0)	(11·0)	(14·7)	(180·1)		(179·2)	
145·0	10·0	67·2	—	—	222·2	100·3	961·1	1·3	621·0	
—	—	0·7	—	—	0·7	0·2	24·2	..	25·4	
—	—	0·6	—	—	0·6	—	22·6	..	19·0	
—	—	38·7	—	—	38·7	21·5	131·4	0·2	112·0	
—	—	1·7	—	—	1·7	1·8	30·6	..	17·9	
—	—	—	—	—	—	—	—	..	4·0	
—	—	9·0	—	—	9·0	11·0	34·9	0·1	24·4	
—	—	—	—	—	—	—	33·5	0·1	33·0	
—	—	—	—	—	—	1·1	13·3	..	13·1	
—	—	—	—	—	—	—	6·0	..	4·8	
—	—	—	—	—	—	—	24·4	..	24·4	
—	—	0·2	—	—	0·2	0·1	4·3	..	1·9	
—	—	97·1	—	—	97·1	79·0	194·0	0·3	162·3	
—	—	70·1	—	—	70·1	32·3	137·3	0·2	115·9	
—	—	12·0	—	—	12·0	16·3	315·7	0·4	36·7	
—	—	123·3	—	—	123·3	75·7	536·2	0·7	282·7	
—	—	305·1	—	—	305·1	298·0	1170·5	1·6	1014·5	
—	32·0	—	—	—	32·0	—	98·7	0·1	74·4	
5050·9	1416·8	2751·6	4528·7	2256·2 (11·0)	16004·2	8870·2 (14·7)	73624·8 (2849·1)	100·0	52841·7 (2134·0)	

## STATE-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED

State	Assistance Sanctioned (Effective)							Guarantees
	Loans (other than for exports)	Loans for Exports	Under- writing and Direct Subscrip- tions	Refinance of Industrial Loans	Refinance of Export Credits	Rediscount	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Andhra Pradesh ..	100·0	—	19·6	106·0	—	306·2	531·8	—
2. Assam ..	110·0	—	111·5	11·7	—	0·4	233·6	—
3. Bihar ..	163·0	—	50·9	162·6	—	289·8	666·3	—
4. Gujarat ..	46·6	—	—	513·5	—	332·6	892·1	—
5. Haryana ..	69·0	—	6·0	245·7	—	98·1	418·8	—
6. Himachal Pradesh ..	—	—	—	29·7	—	—	29·7	—
7. Jammu & Kashmir ..	—	—	—	22·4	—	—	22·4	—
8. Kerala ..	31·0	—	5·0	220·1	—	118·4	374·5	—
9. Madhya Pradesh ..	75·0	138·8	—	101·3	—	91·1	406·2	—
10. Maharashtra ..	460·0	131·2	204·7	331·5	12·9	2052·3	3192·6	—
11. Manipur ..	—	—	—	—	—	—	—	—
12. Meghalaya ..	—	—	—	—	—	—	—	—
13. Mysore ..	447·0	—	120·0	293·8	—	196·6	1057·4	—
14. Nagaland ..	50·0	—	—	—	—	—	50·0	—
15. Orissa ..	90·0	—	—	71·7	—	54·6	216·3	—
16. Punjab ..	151·0	—	40·0	253·0	—	25·0	469·0	—
17. Rajasthan ..	55·0	—	—	236·2	—	0·9	292·1	—
18. Tamil Nadu ..	783·0	—	55·0	194·9	1·0	967·0	2000·9	—
19. Tripura ..	—	—	—	—	—	—	—	—
20. Uttar Pradesh ..	380·8	—	84·6	315·7	—	9·4	790·5	31·3
21. West Bengal ..	2463·0	—	80·7	105·1	—	416·5	3065·3	—
22. Union Territories ..	25·0	—	5·0	113·5	—	25·2	168·7	—
<b>Total ..</b>	<b>5498·8</b>	<b>270·0</b>	<b>783·0</b>	<b>3328·4</b>	<b>13·9</b>	<b>4984·1</b>	<b>14878·2</b>	<b>31·3</b>

Note: (i) Classification based on location of projects assisted in each State. In a few cases, assistance was sanctioned for expansion of existing units/setting up of new units in more than one State; such assistance has been included in the State where the assistance has gone predominantly. In the case of rediscounts, the classification is based on the location of machinery manufacturer/seller.

(ii) Figures are exclusive of subscriptions to shares and bonds of financial institutions.

## XURE VII

## BY THE IDBI AND UTILISATION THEREOF DURING 1972-73

(In lakhs of rupees)

Loans (other than for exports)	Loans for Exports	Under- writing and Direct Subscrip- tions	Assistance utilised			Total	Guarantees Executed
			Refinance of Industrial Loans	Refinance of Export Credits	Rediscount		
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
30·5	—	10·7	136·2	7·7	261·0	446·1	—
314·1	—	99·3	10·5	—	0·3	424·2	—
242·6	—	88·4	119·3	—	247·0	697·3	—
426·5	0·9	17·6	372·8	—	283·5	1101·3	42·3
35·0	—	15·4	215·8	—	83·6	349·8	—
—	—	—	43·3	—	—	43·3	—
—	—	—	6·1	—	—	6·1	—
75·0	—	12·9	103·8	—	100·9	292·6	—
12·5	18·9	—	79·8	—	77·6	188·8	—
68·5	182·6	22·8	363·8	207·5	1749·0	2594·2	7·8
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
339·5	—	107·1	285·9	—	167·6	900·1	—
—	—	—	—	—	—	—	—
39·7	—	—	23·2	—	46·6	109·5	—
—	—	—	149·2	—	21·3	170·5	—
—	—	6·1	83·8	—	0·8	90·7	—
616·5	33·2	42·4	147·9	4·9	824·0	1668·9	—
—	—	—	—	—	—	—	—
100·2	—	41·5	151·7	—	8·0	301·4	—
183·7	155·0	2·7	96·2	—	354·9	792·5	—
40·0	—	33·5	110·0	—	21·4	204·9	—
<b>2324·3</b>	<b>390·6</b>	<b>500·4</b>	<b>2499·3</b>	<b>220·1</b>	<b>4247·5</b>	<b>10382·1</b>	<b>50·1</b>

## STATE-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED

State	Assistance Sanctioned (Effective)								Guarantees
	Loans (other than for exports)	Loans for Exports	Under writing and Direct Subscriptions	Refinance of Industrial Subscriptions	Refinance of Export Credits	Rediscount	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1. Andhra Pradesh ..	1358·5	—	171·1	1114·1	14·9	537·3	3195·9	—	
2. Assam ..	1310·0	—	311·5	35·7	—	0·4	1657·6	—	
3. Bihar ..	1336·0	—	260·8	468·2	—	876·9	2941·9	—	
4. Gujarat ..	3788·5	38·6	525·6	2348·9	—	1226·9	7928·5	554·2	
5. Haryana ..	252·2	—	97·0	847·6	—	247·8	1444·6	8·4	
6. Himachal Pradesh ..	—	—	—	114·5	—	—	114·5	—	
7. Jammu & Kashmir ..	—	—	—	55·6	—	—	55·6	—	
8. Kerala ..	638·4	—	96·3	800·0	—	171·1	1705·8	—	
9. Madhya Pradesh ..	257·3	985·8	88·5	536·6	285·7	657·2	2811·1	—	
10. Maharashtra ..	3086·1	1815·9	933·2	4030·5	1704·0	8238·7	19808·4	1510·0	
11. Manipur ..	—	—	—	2·2	—	—	2·2	—	
12. Meghalaya ..	—	—	—	—	—	—	—	—	
13. Mysore ..	1872·8	—	685·1	1253·9	—	967·6	4779·4	—	
14. Nagaland ..	50·0	—	—	—	—	—	50·0	—	
15. Orissa ..	1060·0	—	44·0	164·5	—	92·9	1361·4	—	
16. Punjab ..	151·0	—	40·0	527·7	—	28·7	747·4	—	
17. Rajasthan ..	501·2	62·5	48·6	544·8	251·3	12·3	1420·7	278·1	
18. Tamil Nadu ..	3435·2	339·9	720·5	2454·0	135·6	2881·0	9966·2	172·1	
19. Tripura ..	—	—	—	—	—	—	—	—	
20. Uttar Pradesh ..	1446·8	—	323·5	1032·1	—	131·4	2933·8	326·3	
21. West Bengal ..	3459·6	1866·6	202·3	1234·1	125·1	2294·1	9181·8	—	
22. Union Territories ..	295·8	—	332·5	528·6	222·5	138·6	1518·0	—	
<b>Total ..</b>	<b>24299·4</b>	<b>5109·3</b>	<b>4880·5</b>	<b>18093·6</b>	<b>2739·1</b>	<b>18502·8</b>	<b>73624·8</b>	<b>2849·1</b>	

Note: (i) Classification based on location of projects assisted in each State. In a few cases, assistance was sanctioned for expansion of existing units/setting up of new units in more than one State; such assistance has been included in the State where the assistance has gone predominantly. In the case of rediscounts, the classification is based on the location of machinery manufacturer/seller.

(ii) Figures are exclusive of subscriptions to shares and bonds of financial institutions.

## XURE VIII

## BY THE IDBI AND UTILISATION THEREOF DURING JULY 1964—JUNE 1973

(In lakhs of rupees)

Assistance Utilised							
Loans (other than for exports)	Loans for Exports	Under - writing and Direct Subscrip- tions	Refinanc- e of Industrial Loans*	Refinanc- e of Export Credits	Rediscount	Total	Guaran- tees Executed
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1247·0	—	123·5	1151·0	7·7	438·2	2987·4	—
314·1	—	99·3	47·2	—	0·3	460·9	—
743·6	—	108·8	419·8	—	747·8	2020·0	—
2266·5	37·7	408·8	2059·4	—	1046·3	5818·7	42·3
162·7	—	48·6	763·9	—	211·3	1186·5	8·4
—	—	—	93·1	—	—	93·1	—
—	—	—	61·2	—	—	61·2	—
230·0	—	59·8	641·9	—	145·9	1077·6	—
97·0	788·4	75·5	490·4	285·7	560·4	2297·4	—
2503·0	984·5	643·2	4067·3	1447·4	7025·6	16671·0	1509·1
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
616·4	—	264·3	1094·7	—	825·1	2800·5	—
—	—	—	—	—	—	—	—
334·7	—	43·5	159·0	—	79·2	616·4	—
—	—	—	425·8	—	24·5	450·3	—
175·0	52·9	10·6	403·2	245·0	10·5	897·2	278·1
2012·2	315·6	255·7	2328·5	135·3	2456·7	7504·0	1·1
—	—	—	—	—	—	—	—
744·2	—	153·1	765·7	—	112·1	1775·1	295·0
761·6	719·0	92·1	1294·4	21·1	1956·3	4814·5	—
240·0	—	257·6	473·7	220·4	118·2	1309·9	—
12448·0	2898·1	2644·4	16710·3	2362·6	15778·4	52841·7	2134·0

\*Inclusive of disbursements in respect of refinance sanctioned by the Refinance Corporation for Industry Ltd., prior to its merger with the IDBI in September, 1964.

## ANNEXURE IX

## SOURCES AND USES OF FUNDS OF THE IDBI—1964-65 TO 1972-73 AND ESTIMATES FOR 1973-74 (JULY-JUNE)

(In crores of rupees)

	1964- 65	1965- 66	1966- 67	1967- 68	1968- 69	1969- 70	1970- 71	1971- 72	1972- 73	1973- 74 (estimates)
<b>A. SOURCES OF FUNDS</b>										
1. Increase in reserves*	..	..	..	0.8	1.3	2.1	2.8	3.3	4.3	3.6
2. Borrowings from:										
(a) Government	..	..	..	22.5	37.9	34.6	25.0	25.0	—	—
(b) Reserve Bank of India:										
(i) Share capital ..	..	..	..	10.0	—	10.0	—	—	10.0	—
(ii) NIC (LTO) Funds ..	..	..	..	2.2	1.7	1.4	0.8	0.2	20.0	28.8
(iii) Other ..	..	..	..	—	—	—	—	—	—	37.8
3. Borrowings by way of bonds/debentures ..	—	—	—	—	—	—	—	—	12.7	16.0
4. Sale of investments in shares, debentures of industrial concerns ..	..	..	..	—	—	—	—	2.4	0.3	—
5. Repayment by borrowers :	..	..	..	5.5	8.6	11.7	24.8	21.6	27.9	36.9
(a) Loans to industrial concerns (other than for exports) ..	..	..	..	—	—	—	1.2	1.4	4.5	6.9
(b) Loans for exports ..	..	..	..	—	—	—	—	—	0.9	2.1
(c) Refinance—industrial loans ..	..	..	..	5.5	8.2	10.1	19.2	14.4	14.0	15.1
(d) Refinance—exports credits ..	..	..	..	0.05	0.4	0.5	0.4	0.3	1.4	1.5
(e) Rediscounting of bills ..	..	..	..	—	0.02	1.1	4.0	5.5	8.0	12.5
(f) Redemption of bonds/debentures ..	..	..	..	—	—	—	—	0.03	0.03	0.8
6. Others** ..	..	..	..	2.2	11.4	8.7	8.9	16.7	17.2	17.0
Total ..	..	..	..	43.1	60.8	68.5	62.3	66.8	71.8	96.6
										128.2
										141.2
										189.0

## B. USES OF FUNDS

1. Disbursements of assistance by way of										
(a) Loans to industrial concerns (other than for exports) ..	..	..	..	—	19.9	20.7	18.0	15.3	10.9	4.9
(b) Loans for exports ..	..	..	..	—	—	—	—	—	2.9	12.0
(c) Underwriting and direct subscriptions ..	..	..	..	0.4	5.3	5.2	1.1	1.6	2.2	3.7
(d) Refinance—industrial loans ..	..	..	..	21.2	21.4	19.5	10.8	11.6	12.5	21.2
(e) Refinance—export credits ..	..	..	..	—	0.9	0.4	0.3	2.5	2.7	9.9
(f) Rediscounting of bills† ..	..	..	..	0.1	2.2	7.1	12.4	15.5	24.1	28.5
(g) Subscriptions to shares and bonds of financial institutions ..	..	..	..	6.3	1.7	7.4	3.9	4.5	0.5	3.8
				28.0	51.4	60.3	46.5	51.0	55.8	84.0
2. Repayment of borrowings from Government ..	..	..	..	—	—	—	—	—	0.7	3.7
3. Others** ..	..	..	..	15.1	9.4	8.3	15.8	15.8	15.3	9.0
Total ..	..	..	..	43.1	60.8	68.5	62.3	66.8	71.8	96.6
										128.2
										141.2
										189.0

\*Inclusive of unappropriated profit in the D.A.F.

\*\*Inclusive of cash and other liquid resources.

†Data relate to face value of bills rediscounted.

## ANNEXURE X (A)

ASSISTANCE SANCTIONED BY THE TERM-FINANCING INSTITUTIONS DURING  
1972-73 (APRIL-MARCH)

(In crores of rupees)

			Underwriting and Direct Subscriptions									
			Rupee Loans		Foreign Currency Loans		Ordinary and Preference Shares		Debentures		Total	
			1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73
IDBI .. ..	128.6*	87.7*	—	—	13.3	3.5	—	—	2.8	141.9	94.0	
	(22.0)	(27.9)								(22.0)	(27.9)	
IFCI .. ..	23.7	38.2	2.8	5.2	2.2	3.1	—	—	1.0	28.7	47.5	
ICICI .. ..	12.0	13.4	22.5	29.1	3.7	3.7	1.5	3.3	3.3	39.7	49.5	
IRCI .. ..	6.6	6.1	—	—	—	—	—	—	—	6.6	6.1	
SFCs** .. ..	63.4	77.8	—	—	0.7	0.9	—	—	—	64.1	78.7	
SIDCs** .. ..	16.4	24.6	—	—	7.1	8.8	0.1	0.1	0.1	23.6	33.5	
<b>Total</b> .. ..	<b>250.7</b>	<b>247.8</b>	<b>25.3</b>	<b>34.3</b>	<b>27.0</b>	<b>20.0</b>	<b>1.6</b>	<b>7.2</b>	<b>304.6</b>	<b>309.3</b>		
	(22.0)	(27.9)							(22.0)	(27.9)		
UTI† .. ..	—	—	—	—	3.2	3.2	11.8	7.0	15.0	10.2		
LIC‡ .. ..	14.1	—	—	—	4.7	4.3	—	—	23.1	—		

\*Comprising direct loans, refinance to banks and rediscounts. Refinance to SFCs, indicated separately within brackets, is excluded to avoid double counting since this is covered under loans of SFCs.

\*\*Data are provisional.

†Data for 1972-73 are provisional and those for 1971-72 are revised.

‡Figures for 1972-73 are not available.

## ANNEXURE X (B)

ASSISTANCE DISBURSED BY THE TERM-FINANCING INSTITUTIONS DURING  
1972-73 (APRIL-MARCH)

(In crores of rupees)

			Underwriting and Direct Subscriptions									
			Rupee Loans		Foreign Currency Loans		Ordinary and Preference Shares		Debentures		Total	
			1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73
IDBI .. ..	77.4*	62.4*	—	—	1.0	3.5	0.4	0.8	78.8	66.7		
	(17.4)	(19.1)							(17.4)	(19.1)		
IFCI .. ..	16.1†	21.8†	3.4	4.1	0.8	1.6	—	0.8	20.3	28.3		
ICICI .. ..	8.0	7.9	20.5	28.0	1.6	2.5	0.2	1.3	30.3	39.7		
IRCI .. ..	1.1	3.5	—	—	—	—	—	—	1.1	3.5		
SFCs** .. ..	39.0	44.1†	—	—	0.6	0.6	—	—	39.6	44.7		
SIDCs** .. ..	10.7	13.2	—	—	3.6	4.5	0.03	0.03	14.4	17.7		
<b>Total</b> .. ..	<b>152.3</b>	<b>152.9</b>	<b>23.9</b>	<b>32.1</b>	<b>7.6</b>	<b>12.7</b>	<b>0.6</b>	<b>2.9</b>	<b>184.5</b>	<b>200.6</b>		
	(17.4)	(19.1)							(17.4)	(19.1)		
UTI@ .. ..	—	—	—	—	1.0	1.6	0.6	4.0	1.6	5.6		
LIC†† .. ..	0.9	—	—	—	2.5	—	1.9	—	5.3	—		

\*Comprising direct loans, refinance to banks and rediscounts. Refinance to SFCs, indicated separately within brackets, is excluded to avoid double counting since this is covered under loans of SFCs.

† including disbursement on account of Guarantees.

\*\* Data are provisional.

@ Data of 1972-73 are provisional and those for 1971-72 are revised.

†† Figures for 1972-73 are not available.

ANNEXURE XI  
SOURCES AND USES OF FUNDS OF TERM-FINANCING INSTITUTIONS DURING  
1972-73 (APRIL-MARCH)

(In crores of rupees)

	IDBI	IFCI	ICICI	IRCI	SFCs@	Total	Total (excluding inter-institutional flows)
<b>A. SOURCES OF FUNDS</b>							
1. Increase in paid-up capital .. ..	—	1·63	—	—	2·34	4·19	2·35
2. Increase in reserves .. ..	32·8*	1·76	1·55	0·28	3·76	10·63	10·63
3. Borrowings (Gross) in India from :							
(i) Government .. ..	—	0·12	0·40	5·00	0·30	5·82	5·82
(ii) Reserve Bank of India .. ..	16·95	1·24	—	—	6·02	24·21	24·21
(iii) IDBI .. ..	—	—	—	—	19·12††	19·12	—
(iv) Banks .. ..	—	—	—	—	0·99	0·99	0·99
(v) Others .. ..	—	—	—	—	2·24	2·24	2·24
4. Borrowings by way of bonds/debentures .. ..	16·04	11·01	7·00	—	17·99	52·04	49·89
5. Borrowings in foreign currency :							
(i) Total line of credit available .. ..	—	(10·03)	(23·19)	—	—	(33·22)	(33·22)
(ii) Utilised .. ..	—	4·14	28·03	—	—	32·17	32·17
6. Deposits accepted .. ..	—	—	—	—	3·61	3·61	3·61
7. Sale of investment in :							
(i) Government and other trustee securities .. ..	—	—	0·10	1·63	0·81	2·54	2·54
(ii) Shares, debentures, etc. (including underwriting) .. ..	0·01	2·60	1·65	—	0·05	4·31	4·31
8. Repayment of loans by borrowers:							
(i) Rupees loans .. ..	62·00	12·66	4·73	—	18·08	97·47	85·27
(ii) Foreign currency loans .. ..	—	2·69	11·64	—	—	14·33	14·33
9. Recoveries in respect of guarantees .. ..	—	0·06	—	—	0·81	0·87	0·87
10. Others** .. ..	25·40	7·20	10·09	7·19	12·02	61·90	61·90
<b>Total</b> .. .. .. ..	<b>123·68</b>	<b>45·13</b>	<b>65·19</b>	<b>14·10</b>	<b>88·34</b>	<b>336·44</b>	<b>301·12</b>
<b>B. USES OF FUNDS</b>							
1. Disbursement of assistance by way of:							
(i) Loans :							
(a) Rupee loans .. ..	88·20†	21·42	7·89	3·52	43·80	164·83	145·71
(b) Foreign currency loans .. ..	—	4·14	28·03	—	—	32·71	32·17
(ii) Subscription to shares, debentures etc. of industrial concerns .. ..	4·26	3·69***	3·79	—	0·55	12·29	12·29
(iii) Subscriptions to shares/bonds of financial institutions .. ..	4·00	—	—	—	—	4·00	—
(iv) Guarantees .. ..	—	0·42	—	—	0·30	0·72	0·72
2. Investment in Government and trustee securities .. ..	—	—	—	3·41	0·05	3·46	3·46
3. Repayment of loans (in India) .. ..							
(i) Government .. ..	6·58	4·67	2·79	—	0·76	14·80	14·80
(ii) Reserve Bank of India .. ..	—	2·05	—	—	9·39	11·44	11·44
(iii) IDBI .. ..	—	—	0·08	—	11·40††	12·20	—
(iv) Banks .. ..	—	—	—	—	1·13	1·13	1·13
(v) Others .. ..	—	—	—	—	5·09	5·09	5·09
4. Redemption of bonds/debentures .. ..	—	0·25	—	—	0·50	0·75	0·75
5. Repayment of loans in foreign currency .. ..	—	2·43	11·02	—	—	13·45	13·45
6. Repayment of deposits .. ..	—	—	—	—	3·68	3·68	3·68
7. Others** .. ..	20·64	6·06	10·87	7·17	11·69	56·43	56·43
<b>Total</b> .. .. .. ..	<b>123·68</b>	<b>45·13</b>	<b>65·19</b>	<b>14·10</b>	<b>88·34</b>	<b>336·44</b>	<b>301·12</b>

@Data are provisional.

\*Inclusive of unappropriated profits in the D.A.F.

††Inclusive to refinance assistance.

\*\*Inclusive of cash and other liquid resources.

†Data in respect of rediscounts included in this figure relate to face value of bills rediscounted.

\*\*\*Includes Rs. 1·28 crores representing outstanding overdue interest converted into share capital of assisted companies.

## ANNEXURE XII

 PURPOSE-WISE CLASSIFICATION OF ASSISTANCE SANCTIONED BY TERM-FINANCING INSTITUTIONS AND UTILISATION THEREOF—1970-71 TO 1972-73  
 (APRIL-MARCH)

(In crores of rupees)

		1970-71		1971-72		1972-73	
		Sanctions	Utilisation (Cash)	Sanctions	Utilisation (Cash)	Sanctions	Utilisation (Cash)
<b>1. New Projects</b>							
IDBI*	..	..	..	8·2	8·1	49·4	5·7
IFCI	..	..	..	17·1	10·3	17·6	9·6
ICICI	..	..	..	11·2	3·3	10·9	6·1
UTI	..	..	..	2·0	0·9	6·0	0·3
IRCI	..	..	..	—	—	—	—
		<b>38·5</b>	<b>22·6</b>	<b>83·9</b>	<b>21·7</b>	<b>61·4</b>	<b>32·0</b>
<b>2. Expansion/Diversification</b>							
IDBI*	..	..	..	8·0	2·2	8·2	1·9
IFCI	..	..	..	8·3	6·6	8·1	7·9
ICICI	..	..	..	27·4	19·6	21·4	17·2
UTI	..	..	..	2·4	3·4	7·4	0·8
IRCI	..	..	..	—	—	—	—
		<b>46·1</b>	<b>31·8</b>	<b>45·1</b>	<b>27·8</b>	<b>43·8</b>	<b>34·5</b>
<b>3. Modernisation/Rationalisation/Balancing equipment</b>							
IDBI*	..	..	..	3·8	—	14·9	0·7
IFCI	..	..	..	5·8	0·3	1·4	1·7
ICICI	..	..	..	3·6	4·5	4·5	5·1
UTI	..	..	..	4·1	0·2	0·2	0·1
IRCI	..	..	..	—	—	2·5	0·1
		<b>17·3</b>	<b>5·0</b>	<b>23·5</b>	<b>7·6</b>	<b>22·1</b>	<b>19·5</b>
<b>4. Supplementary Assistance**</b>							
IDBI*	..	..	..	3·8	2·9	3·5	2·2
IFCI	..	..	..	0·6	0·2	1·5	1·1
ICICI	..	..	..	1·7	1·4	2·6	1·7
UTI	..	..	..	0·5	0·5	1·4	0·5
IRCI	..	..	..	—	—	4·1	1·5
		<b>6·6</b>	<b>5·0</b>	<b>13·1</b>	<b>7·0</b>	<b>14·9</b>	<b>6·8</b>
<b>5. Others</b>							
ICICI@	..	..	..	—	0·1	0·3	0·2
<b>Total</b>							
IDBI*	..	..	..	23·8	13·2	76·0	10·5
IFCI	..	..	..	31·7	17·4	28·7	20·3
ICICI	..	..	..	43·9	28·9	39·7	30·3
UTI	..	..	..	9·0	5·1	15·0	1·6
IRCI	..	..	..	—	—	6·6	1·6
		<b>108·4</b>	<b>64·6</b>	<b>166·0</b>	<b>64·3</b>	<b>143·4</b>	<b>93·5</b>

\*Comprising direct loans to industrial concerns, underwriting of and direct subscription to shares and debentures and guarantee for loans and deferred payments.

\*\*That is, assistance for (i) meeting over-runs in project costs arising from delays in implementation, rise in cost of machinery and building materials, shortfall in estimated cash resources, etc; (ii) relieving strain on cash resources of companies which had earlier utilised working capital funds for acquisition of fixed assets; and (iii) financial reorganisation, etc.

@Assistance for Research and Development.

INDUSTRY-WISE CLASSIFICATION OF FINANCIAL ASSISTANCE  
AND UTILISATION THEREOF DURING 1971-72

Industry	Assistance Sanctioned											
	IDBI		IFCI		ICICI		UTI		IRCI		Total	
	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73
1. Food manufacturing except beverages ..	5.0	5.8	8.6	17.2	1.6	3.3	—	—	—	1.1	15.2	27.4
2. Textiles (including Jute) ..	1.4	3.1	1.5	3.0	2.5	3.4	1.4	0.6	2.0	0.8*	8.8	9.3
3. Paper and paper Products ..	15.5	2.2	1.7	4.2	4.4	4.3	0.3	1.4	0.2	—	22.1	12.1
4. Manufacture of Rubber Products ..	0.9	4.3	—	4.2	0.2	3.2	..	1.0	0.1	0.3	1.2	13.0
5. Basic Industrial Chemicals other than fertilisers ..	7.2	6.3	1.0	1.1	10.0	—2.0*	0.8	..	—	—	19.0	5.4
6. Fertilisers ..	39.4	0.5	6.0	1.6	2.7	4.7	2.0	0.5	—	—	50.1	7.3
7. Other Chemicals and Chemical Products ..	3.5	2.6	0.7	2.2	1.3	1.4	2.0	—	0.3	0.7	7.8	6.9
8. Cement ..	..	0.1	0.2	1.4	..*	0.8	0.6	0.5	—	—	0.8	2.8
9. Basic Metal Industries—												
(a) Iron and Steel Basic Industries ..	19.7	17.8	3.0	3.3	6.1	6.7	1.7	0.1	—	—	30.5	27.9
(b) Non-ferrous Metal Basic Industries ..	0.3	0.2	0.3	—	—	0.5	1.3	0.3	—	—	1.9	1.0
10. Metal Products except machinery and transport equipment ..	3.4	3.5	0.7	2.3	0.4	1.6	..	..	—	0.5	4.5	7.9
11. Manufacture of Machinery except electrical machinery ..	53.7	48.7	1.2	0.3	2.0	3.9	0.2	0.1	0.4	0.6	57.5	53.6
12. Manufacture of Electrical Machinery, Apparatus, Appliances and Supplies ..	2.1	6.9	1.7	1.5	2.4	3.7	0.2	0.6	0.2	0.2	6.6	12.8
13. Manufacture of Transport Equipment ..	2.1	2.3	0.8	2.3	1.6	7.0	0.7	1.0	—	2.2	5.2	14.8
14. Services ..	3.7	5.8	0.1	—	0.2	2.7	0.5	1.7	—	—	4.5	10.2
(Of which to Road Transport) ..	(2.9)	(3.6)	(—)	—	(—)	(—)	(—)	(—)	—	—	(2.9)	(3.6)
15. Others ..	6.0	11.8	1.1	3.5	4.3	5.1	3.3	2.3	3.4	1.3	18.1	24.0
Total ..	163.9	121.9	28.7	48.1	39.7	50.3	15.0	10.2	6.6	6.1	253.8	236.5

Note: Figures of IDBI's assistance are inclusive of direct loans, underwriting, refinance and rediscounts but exclusive of guarantees and subscriptions to shares and bonds of financial institutions, whereas assistance of IFCI, ICICI, UTI and IRCI comprises direct loans, underwriting and guarantees.

**XURE XIII  
SANCTIONED BY TERM-FINANCING INSTITUTIONS  
AND 1972-73 (APRIL-MARCH)**

(In crores of rupees)

Assistance Utilised											
IDBI		IFCI		ICICI		UTI		IRCI		Total	
1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73
3.4	3.2	5.1	11.9	1.2	2.0	..	..	—	0.6	9.7	17.7
3.4	2.1	3.3	3.0	2.6	4.2	0.1	0.7	0.6	0.3	10.0	10.3
1.9	4.2	1.2	0.8	1.0	1.7	—	0.1	—	0.1	4.1	6.9
0.6	0.9	0.6	0.8	2.0	0.9	..	0.3	—	0.1	3.2	3.0
2.9	3.3	0.1	0.8	8.1	8.7	0.1	0.1	—	—	11.2	12.9
0.3	2.1	0.1	0.6	—	0.9	—	—	—	—	0.4	3.6
3.4	2.3	2.7	3.5	0.4	0.9	0.3	0.3	—	0.1	6.8	7.1
..	0.1	0.6	0.3	..	0.3	0.1	—	—	—	0.7	0.7
..	..	..	..	..	..	..	..	..	..	..	..
12.7	8.3	0.7	2.6	2.2	5.5	0.2	2.3	—	—	15.8	18.7
0.3	0.7	..	0.7	0.1	1.3	..	0.4	—	—	0.4	3.1
2.7	2.3	0.6	0.3	1.3	0.1	..	..	—	0.1	4.6	2.8
51.3	43.3	1.3	0.7	3.0	3.0	..	0.3	—	0.3	55.6	47.6
..	..	..	..	..	..	..	..	..	..	..	..
3.7	4.8	2.2	0.9	2.8	2.9	..	0.2	10.1	0.2	8.8	9.0
1.2	0.6	0.5	0.6	1.7	1.4	—	0.1	—	0.1	3.4	2.8
3.4	3.7	—	..	1.4	2.6	0.3	0.5	—	—	5.1	6.8
(2.8)	(2.7)	..	(—)	(—)	(—)	(—)	(—)	0.9	2.3	(2.8)	(2.7)
5.0	3.9	1.3	0.5	2.5	3.3	0.5	0.2	—	10.2	10.2	10.2
96.2	85.8	20.3	28.0†	30.3	39.7	1.6	5.6	1.6††	4.2††	150.0	163.2

\*Negative due to subsequent reductions.

†Exclusive of disbursements on account of guarantees.

††Includes guarantees executed.

.. Negligible.

STATE-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE BY  
1972-73 (APRIL-MARCH)

State	Assistance sanctioned											
	IDBI		IFCI		ICICI		UTI		IRCI		TOTAL	
	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73
1. Andhra Pradesh ..	4·1 (0·4)	4·1 (0·6)	1·0 (—)	1·7 (—)	2·0 (1·4)	1·8 (0·8)	0·4 (—)	0·4 (—)	—	0·1 (0·1)	7·5 (1·8)	8·1 (1·4)
2. Assam ..	14·2 (14·0)	0·2 (..)	1·0 (1·0)	—	1·0 (1·0)	.. (—)	—	0·1 (—)	—	— (—)	16·2 (16·0)	0·3 (..)
3. Bihar ..	8·0 (0·3)	4·8 (0·5)	—	1·6 (—)	2·4 (—)	3·9 (—)	1·7 (—)	0·8 (—)	—	0·5 (0·5)	12·1 (0·3)	11·6 (1·0)
4. Gujarat ..	30·4 (12·6)	13·7 (1·2)	4·1 (3·0)	1·8 (—)	6·4 (0·2)	2·7 (—)	3·3 (—)	0·3 (—)	—	— (—)	44·2 (15·8)	18·5 (1·2)
5. Haryana ..	4·7 (0·7)	4·4 (0·5)	2·2 (—)	1·7 (0·9)	0·7 (—)	0·9 (0·3)	—	—	—	— (—)	7·6 (0·7)	7·0 (1·7)
6. Himachal Pradesh ..	0·6 (0·1)	0·4 (..)	—	—	—	—	—	—	—	— (—)	0·6 (0·1)	0·4 (..)
7. Jammu and Kashmir ..	0·2 (..)	0·4 (0·1)	—	—	—	—	—	—	—	— (—)	0·2 (..)	0·4 (0·1)
8. Kerala ..	2·6 (0·3)	7·2 (1·4)	0·5 (0·1)	2·6 (0·3)	1·9 (0·4)	0·9 (..)	—	0·6 (0·1)	—	0·2 (—)	5·0 (0·8)	11·5 (1·8)
9. Madhya Pradesh ..	5·6 (0·1)	3·6 (1·1)	—	1·0 (0·4)	0·8 (—)	—0·2* (..)*	—	—	—	— (—)	6·4 (0·1)	4·4 (1·5)
10. Maharashtra ..	24·1 (0·6)	25·2 (0·5)	9·3 (5·0)	14·7 (4·6)	11·7 (0·5)	20·5 (2·0)	3·3 (—)	3·3 (—)	—	0·6 (—)	48·4 (6·1)	64·3 (7·1)
11. Manipur ..	— (..)	— (—)	— (—)	— (—)	— (—)	— (—)	—	—	—	— (—)	— (—)	.. (..)
12. Meghalaya ..	—	—	—	—	—	—	—	—	—	— (—)	— (—)	— (—)
13. Mysore ..	20·2 (14·9)	5·7 (1·1)	0·8 (—)	6·5 (3·0)	2·1 (..)	5·1 (3·1)	1·5 (—)	1·8 (1·0)	—	— (14·9)	24·6 (8·2)	19·1
14. Nagaland ..	— (0·5)	0·5 (—)	— (0·5)	0·5 (—)	— (—)	— (—)	—	—	—	— (—)	— (—)	1·0 (1·0)
15. Orissa ..	0·4 (0·2)	2·4 (1·0)	1·4 (0·7)	1·5 (0·8)	0·2† (1·9)	1·7 (0·5)	—	0·3 (—)	—	— (—)	2·0 (2·8)	5·1 (2·5)
16. Punjab ..	2·2 (..)	3·6 (0·4)	1·1 (—)	0·1 (—)	0·1 (—)	—	0·1 (—)	0·4 (—)	—	— (—)	3·5 (..)	4·1 (0·4)
17. Rajasthan ..	3·9 (0·9)	4·2 (0·5)	1·0 (—)	0·4 (0·1)	1·2 (0·3)	—1·0* (0·1)	—	0·1 (0·1)	—	— (—)	6·1 (1·0)	3·7 (0·9)
18. Tamil Nadu ..	24·9 (2·6)	11·2 (1·9)	4·4 (0·7)	2·7 (1·3)	5·8 (—0·1)	4·9 (0·8)	2·5 (—)	0·5 (—)	0·2 (—)	—	37·8 (3·2)	19·3 (4·0)
19. Tripura ..	— (—)	0·1 (—)	— (—)	— (—)	— (—)	— (—)	—	—	—	— (—)	— (—)	0·1 (—)
20. Uttar Pradesh ..	6·6 (0·3)	11·0 (1·7)	1·8 (0·4)	7·4 (1·8)	2·3 (..)*	4·8 (—)	0·6 (—)	1·0 (—)	—	— (—)	11·3 (0·7)	24·2 (3·5)
21. West Bengal ..	4·9 (0·1)	15·2 (5·8)	— (0·2)	0·6 (0·3)	0·9 (..)*	1·1 (—)	1·5 (—)	0·1 (—)	6·4 (2·4)	3·8 (0·8)	13·7 (2·8)	20·8 (6·8)
22. Union Territories ..	6·3 (3·9)	4·0 (1·4)	— (2·5)	3·3 (0·1)	0·2 (1·1)	3·3 (—)	(0·1) (—)	0·4 (0·1)	—	0·9 (—)	6·6 (4·0)	11·9 (5·1)
Total ..	163·9 (52·0)	121·9 (20·2)	28·7 (10·9)	48·1 (16·4)	39·7 (5·8)	50·3 (8·9)	15·0 (—)	10·2 (1·3)	6·6 (2·4)	6·1 (1·4)	253·8 (71·1)	236·5 (48·2)

Note: (i) Figures in brackets indicate assistance given to specified backward districts/areas.

(ii) Figures of IDBI's assistance are inclusive of direct loans, underwriting, refinance and re-discounts but exclusive of guarantees and subscription to shares and bonds of financial institutions whereas assistance of IFCI, ICICI, UTI, and IRCI, comprises direct loans, underwriting and guarantees.

## TABLE XIV

## TERM-FINANCING INSTITUTIONS DURING 1971-72 AND SANCTIONS AND UTILISATION

(In crores of rupees)

Assistance utilised											
IDBI		IFCI		ICICI		UTI		IRCI		TOTAL	
1971-72	1972-73	1971-72	1972-73	1971-72	1972-73	-1971-72	1972-73	1971-72	1972-73	1971-72	1972-73
4.4 (0.2)	4.6 (0.5)	1.3 (0.4)	0.6 (0.2)	0.9 (0.3)	1.4 (1.0)	—	0.1 (—)	—	— (..)	6.6 (0.9)	6.7 (1.7)
0.2	3.3	0.1	—	—	—	—	..	..	—	0.3	3.3
(—)	(3.2)	(0.1)	—	—	—	(—)	(—)	—	—	(0.1)	(3.2)
1.6 (0.1)	4.0 (0.4)	0.8 (—)	1.2 (—)	2.5 (—)	5.3 (—)	0.2 (—)	2.3 (—)	—	—	5.1 (0.1)	12.8 (0.4)
11.5 (1.3)	11.5 (0.6)	0.1 (—)	2.6 (0.1)	4.2 (0.2)	6.5 (0.3)	0.2 (—)	0.3 (—)	—	—	16.0 (1.5)	20.9 (1.0)
4.3 (0.4)	4.1 (0.5)	1.0 (—)	2.1 (—)	2.3 (—)	0.6 (—)	.. (—)	.. (—)	—	—	7.6 (0.4)	6.8 (0.5)
0.3 (0.1)	0.3 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	—	—	0.3 (0.1)	0.3 (—)
0.2 (—)	0.2 (..)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	—	—	0.2 (—)	0.2 (..)
1.7 (0.1)	2.4 (0.4)	0.3 (—)	0.2 (0.1)	0.7 (—)	0.5 (..)	0.2 (..)	0.1 (..)	—	—	2.9 (0.2)	3.2 (0.5)
7.2 (0.1)	5.2 (0.3)	0.3 (0.2)	0.5 (..)	1.4 (..)	0.5 (—)	.. (—)	.. (—)	—	—	8.9 (0.3)	6.2 (0.3)
26.4 (1.4)	15.8 (0.9)	6.8 (1.5)	11.9 (5.2)	10.5 (0.5)	14.4 (0.6)	0.7 (—)	1.0 (—)	—	0.3 (—)	44.4 (3.4)	43.4 (6.7)
—	.. (..)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	—	—	— (..)	— (..)
—	— (..)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	—	—	— (1.9)	— (3.2)
3.7 (0.9)	6.0 (1.7)	1.8 (0.7)	1.5 (0.8)	0.9 (0.3)	1.3 (0.7)	.. (—)	.. (—)	—	—	6.4 (1.9)	8.8 (3.2)
—	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	—	—	— (—)	— (—)
1.9 (1.7)	0.8 (0.3)	1.3 (0.6)	0.8 (0.1)	0.4 (0.3)	0.4 (0.1)	—	—	—	—	3.6 (2.6)	2.0 (0.5)
1.8 (..)	21. (0.3)	.. (..)	0.3 (—)	— (—)	.. (—)	— (—)	— (—)	—	—	1.8 (..)	2.4 (0.3)
2.6 (0.1)	2.5 (0.3)	0.7 (0.3)	0.7 (0.1)	— (0.1)	0.2 (0.1)	— (—)	— (—)	—	—	3.3 (0.4)	3.4 (0.5)
10.5 (2.1)	8.3 (1.6)	1.7 (0.3)	2.5 (1.0)	3.1 (0.1)	4.4 (1.6)	0.2 (—)	0.3 (—)	—	—	15.5 (2.5)	15.5 (3.2)
—	0.1 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	—	—	0.1 (—)	— (—)
5.8 (0.1)	5.5 (0.4)	2.7 (—)	2.4 (—)	1.9 (—)	2.3 (0.1)	0.1 (—)	1.2 (—)	—	—	10.5 (0.1)	11.4 (0.5)
5.9 (0.2)	5.4 (0.3)	1.1 (0.5)	0.7 (0.2)	1.3 (0.1)	0.8 (0.4)	.. (—)	0.1 (—)	1.6 (0.7)	3.3 (1.9)	9.9 (1.5)	10.3 (2.8)
6.2 (3.3)	3.7 (1.3)	0.3 (—)	.. (..)	0.2 (—)	1.0 (0.1)	.. (—)	0.1 (0.1)	— (—)	0.6 (—)	6.7 (3.3)	5.4 (1.5)
96.2 (12.1)	85.8 (13.0)	20.3 (4.6)	28.0++ (7.8)	30.3 (1.8)	39.7 (4.0)	1.6 (0.1)	5.6 (0.1)	1.6@ (0.1)	4.2@ (2.0)	150.0 (19.3)	163.2 (26.9)

\*Negative due to subsequent reductions.

++Exclusive of disbursements on account of guarantees.

+The lower figure for the State is due to reduction of Rs. 1.7 crores in earlier sanctions in respect of districts other than backward.

@Includes guarantees executed.

.. Negligible.

**ANNEXURE XV**  
**CAPITAL INTENSITY RATIOS OF IDBI ASSISTED PROJECTS**

Sr. No.	Industry	Number of companies covered			Capital/Value of output			Capital/Net Value added			Capital employed per worker		
		1970	1971	1972	1970	1971	1972	1970	1971	1972	1970 Rs.	1971 Rs.	1972 Rs.
1.	Textiles (including jute) ..	12	13	13	0.97	1.02	0.88	4.07	4.58	3.47	8,374	13,403	15,799
2.	Paper and Paper Products ..	7	7	8	2.28	1.95	1.66	7.82	6.02	5.03	66,964	68,913	64,130
3.	Manufacture of Rubber Products ..	1	1	1	1.06	1.09	1.51	12.49	12.34	@	71,384	75,244	68,657
4.	Basic Industrial Chemicals other than fertilisers ..	9	9	11	1.45	1.36	1.32	4.44	3.92	3.90	3,10,841	3,17,597	3,14,541
5.	Fertilisers ..	6	6	8	1.58	1.51	1.44	6.98	6.31	6.24	4,19,120	4,12,330	6,31,601
6.	Other Chemicals and Chemical Products ..	5	6	7	3.51	2.45	1.50	12.11	6.76	4.38	1,18,088	1,21,767	1,36,526
7.	Cement ..	7	7	7	1.71	1.61	1.55	6.28	5.56	5.16	54,304	56,630	56,859
8.	Basic Metal Industries ..	15	16	23	2.03	1.99	2.32	5.56	5.99	6.88	84,835	1,01,299	1,05,795
9.	Manufacture of Machinery except electrical machinery ..	12	13	16	1.55	1.51	1.18	5.24	5.94	5.66	29,284	33,150	42,802
10.	Manufacture of Electrical Machinery ..	10	10	12	0.69	0.66	0.87	2.16	1.92	3.06	41,616	48,737	55,055
11.	Other industries ..	6	7	12	2.22	2.00	0.29	9.28	6.79	43.24	33,194	34,023	34,058
	All Industries	90	95	118	1.52	1.44	1.60	5.42	4.92	5.57	75.180	80.110	82.518

@Net value added is negative.

## Annexure XVI

**IDBI'S CONTRIBUTION BY WAY OF DIRECT ASSISTANCE TO CREATION OF CAPACITY IN SELECTED INDUSTRIES**

Industry	Unit	Installed capacity production targeted for 1973-74 (as per IVth Plan mid-term appraisal)	Capacity envisaged by IDBI assisted Project	Percentage of 4 to 3	
				1	2
1. Paper and paper Boards ..	Tonnes	8,50,000	1,68,750		19.9
2. Cement ..	Million Tonnes	18.00	5.46		30.3
3. Fertilisers :					
Nitrogenous ..	Tonnes	23,91,000	13,88,920		58.1
Phosphatic ..	Tonnes	5,66,000	3,53,470		62.5
4. Basic Industrial Chemicals :					
(i) Caustic Soda ..	Tonnes	4,40,000	1,14,160		25.9
(ii) Sulphuric acid ..	Tonnes	17,50,000	2,23,000		12.7
(iii) Caprolactam ..	Tonnes	23,000	23,000		100.0
(iv) PVC ..	Tonnes	90,000	47,500		52.8
(v) Polyethylene ..	Tonnes	90,000	30,210		33.6
(vi) Nylon Filament and Nylon Cords ..	Tonnes	21,000	5,300		25.2
(vii) Polyester Fibres ..	Tonnes	22,000	6,100		27.7
5. Alloy and Special Steel ..	Tonnes	2,50,000	1,04,000		41.61
6. Non-Ferrous Metals :					
(i) Aluminium ..	Tonnes	2,10,000	66,000		31.4
(ii) Copper ..	Tonnes	47,500	12,500		26.3
(iii) Zinc ..	Tonnes	56,000	20,000		35.7
7. Automobile Tyres ..	Million Nos.	6	1.1		18.3
8. Agricultural Tractors ..	Million Nos.	80,000	12,000		15.0
9. Dry Batteries ..	Million Nos.	850	60		7.1
10. Mild Steel (ingots) ..	Million Nos.	5.80	0.28		4.8

## Appendix

## REFINANCE ASSISTANCE BY IDBI UNDER IDA CREDIT

## A : General Conditions and Procedural Formalities

## Part I— General Conditions

## (a) Financial Institutions eligible for refinance

All the State financial Corporations (including Tamil Nadu Industrial Investment Corporation) are eligible for assistance under IDA Credit, subject to their agreeing to carry out the development programme and to follow the operational guidelines which have already been communicated to them.

## (b) Industrial concerns eligible for loans

Industrial units which are eligible for assistance under the State Financial Corporation Act, 1951, are eligible for assistance under IDA Credit. However, projects involving investment exceeding Rs. 1 crore are not eligible under the scheme.

## (c) Purpose of the loan.

Loans granted by SFC, to industrial concerns for setting up of new industrial projects and also for expansion, diversification, modernisation or renovation of the existing units would be eligible for refinance assistance under IDA Credit. Only those projects which contain a foreign exchange component by way of imported plant and equipment (and in special cases, the cost of technical knowhow and engineering fees) will be eligible for assistance under IDA Credit.

## (d) separate record of project under IDA Credit

A separate record of projects sponsored under IDA Credit will have to be maintained for this purpose, each application sponsored under IDA Credit should be designated by an indication as under :

Sponsored under IDA Credit by .....  
(name of SFC)

Application for Loan No. ....

## (e) Procurement

To ensure that the industrial concern procures machinery and equipment from competitive sources, the SFC should see that except for small projects the industrial concern obtains quotations from at least three suppliers of both imported and indigenous machinery and equipment; the SFC's comments in this respect may be suitably included in the appraisal report.

## (f) Amount of loan

The minimum limit\* fixed by the IDBI for the loan amount and the maximum statutory ceiling of Rs. 30 lakhs under the SFCs Act would apply in respect of the composite loan (i.e. the rupee portion and the foreign exchange component) to be sponsored under IDA Credit. Within these limits, the respective portion of the rupee foreign exchange component would depend upon the circumstances of each case.

\*Currently the minimum limit is Rs. 10,000 in the case of small scale units, as also units other than small-scale for assistance under the Credit.

## (g) Period of loans

The repayment of the loan by the industrial concern to the SFC would generally be spread over a period between 3 and 10 years, extendable, in exceptional cases upto 15 years on merits. Subject to the foregoing, the term of repayment is left to the discretion of the SFCs which should take into consideration the cash generation capacity of the project and its debt-service coverage ratio.

## (h) Security for loans

The SFCs will assume full credit risks in respect of the loans granted under IDA Credit and will be free to take such security as is considered adequate. The SFCs should, however, insist on the borrower that all the assets financed under the IDA Credit are insured against such risks and for such amounts as is consistent with sound business practice.

## (i) Extent of Refinance

The extent of refinance in respect of loans under IDA Credit would be as under :—

- |  |      |
|--|------|
| 1. Loans to small-scale units covered under CGS and to units in backward areas.  | 100% |
| 2. Loans upto Rs. 5 lakhs to units other than those indicated at (1) above   | 100% |
| 3. Loans above Rs. 5 lakhs to units other than indicated at (1) above  | 80%  |
| 4. Loans upto Rs. 2 lakhs granted to technician entrepreneurs under Special Guarantee Schemes which render them ineligible for guarantee cover under CGS | 100% |

## (j) Rate of interest

1. *Foreign Exchange Component of Loan* : The rate of interest to be charged by the SFC to an industrial concern on foreign exchange component of the loan under IDA Credit and the rate for refinance in respect thereof will be those prescribed by the IDBI from time to time. The rates now prescribed are as under :

		Rate to be charged by SFC to ultimate borrower	IDBI refinance rate
(A)	Loans to small-scale units covered under CGS, to technician entrepreneurs and to projects in backward areas (item 1 and 4 above) .. .. ..	9%	6½%
(B)	Loans to units other than those in item (A) .. .. ..	9½%	6½%

2. *Rupee Component of Loan*: The rate structure on the rupee component of loan refinance will be the same as prescribed by IDBI from time to time in respect of exclusive rupee loans.

(k) *Repayment of refinance*

The present practice in this respect is that (i) in cases where partial refinance (*i. e.* 80%) is granted the SFC may retain the earlier maturities to the extent of its own participation and pass on the later maturities to IDBI and (ii) in cases where refinance has been granted to the full extent of the loan, all repayments received from the borrowing concerns are passed on to IDBI. The same practice will continue under IDA Credit. However the period of rupee/ foreign exchange component of the loan should be co-terminous and as such the apportionment of individual instalments of loan as between the rupee/foreign exchange components would be in the same proportion which they bear to each other.

(l) *Commitment charge*

A commitment charge of 1 per cent will be payable by the SFC to IDBI on the portion of the refinance remaining undrawn after a period of 6 months from the date of letter communicating sanction of refinance. In turn, the SFC should also recover commitment charge of 1 per cent from its constituent.

**Part II—Procedure for sanction of assistance**

(a) *By FC to its constituents*

When the industrial concern embarking on a project, the cost of which involves an element of foreign exchange, approaches the SFC for assistance under IDA Credit, it should also apply for an import licence (in Form E as given in the Government of India publication entitled "Import Trade Control Handbook of Rules and Procedure 1973-74") and endorse a copy of the application for licence (*but not the application for assistance made to FC*) to the New Delhi Regional office of the IDBI (the detailed licensing procedure has been set out separately). The application for import licence should bear the stamp of the SFC to which the borrower has approached for financial assistance and the number of such application for financial assistance. The SFC, having due regard to the appraisal requirements, as advised in IFD letter dated the 15th January 1973, should scrutinise the application for assistance, satisfy itself about the technical economic and financial soundness of the project and prepare its appraisal report.

In cases where the amount of refinance involved exceeds Rs. 10 lakhs (such projects to be ranked as 'A' projects), the recommendations of the SFC, along with a copy of the appraisal report and the terms and conditions of the loan, should be sent to IDBI for prior review of the IDBI. On receipt of reaction from IDBI, the SFC should make necessary modifications, if any, and take up the proposal to its Board/Executive Committee for sanction of assistance without waiting for the decision of the Capital Goods *Ad hoc* Committee on the application for import licence.

As regards cases where refinance involved is Rs. 10 lakhs or less (such projects would be ranked as 'B' projects), there will be no prior review by the IDBI and the SFC can go ahead in the matter of sanction of assistance forthwith, without waiting for the decision of the Capital Goods *Ad hoc* Committee on the application for import licence.

The foreign exchange component of the project will finally be determined on clearance of the proposal by the Capital Goods *Ad hoc* Committee. However, in cases where the sanction of assistance by SFC precedes the clearance by Capital Goods *Ad hoc* Committee, it would be necessary to make such adjustments in the foreign exchange component of the SFC loan on account of any modifications which the Committee might suggest. This also implies some adjustment in the rupee component of the loan. To expedite the adjustments it would be advisable that the resolution of the Board of the SFC sanctioning the proposal should vest in the Managing Director/Chief Executive Officer to make the adjustments and subsequently report to the Board as *post facto* action taken. In such cases, the SFC should state in the sanction letter that the foreign exchange component will be subject to change in the light of the import licence.

(b) *by IDBI to SFC*

The application for refinance should be made in the prescribed forms already circulated to the SFC, to the respective Regional offices of IDBI under whose jurisdiction the concerned SFC functioning, as soon after its own sanction of assistance as possible, and in any case within a period not exceeding 45 days from the date of sanction of assistance by the SFC.

The IDBI will satisfy itself as regards the technical, financial and economic soundness of the project and sanction the necessary refinance. On sanction of refinance, each SFC loan to be assisted under IDA Credit will be assigned a number, which will be incorporated in the sanction letter. All future correspondence with IDBI in respect of the individual loan should bear this number.

**Part III—Disbursement of assistance**

(a) *By SFC to industrial concern*

The SFC can follow the existing procedure for disbursement of the rupee portion of the composite loan required to meet the local expenditure of the project. As regards the portion relating to the foreign exchange component, it should be disbursed to the bank opening the letter of credit in favour of the beneficiary abroad as and when the industrial concern is required to pay for the imported plant and equipment etc. The SFC should, however, ensure that the goods covered should

originate from the countries of the World Bank Group (and Switzerland), and that goods should be booked in the vessels of member countries including India (and Switzerland). A list of the member countries of the World Bank is given in Annexure A. Before disbursing the loan, the SFC should check up the list of orders placed with suppliers, supplier's confirmation, etc. in order to ensure that it is in conformity with the import licence.

Although it will not be necessary for IDBI or IDA to receive documents evidencing actual import of plant and equipment under each transaction, such documents will have to be retained by the SFC for submission to and inspection by IDBI/IDA, whenever required. Further, IDBI and IDA shall also have the right to visit/inspect the undertaking of the industrial concern, which is the recipient of assistance under IDA Credit. A suitable provision will have, therefore, to be made in the loan documents to be executed between the SFC and its constituents.

(b) *By IDBI to SFC*

The model documents for drawal of refinances in respect of loans under IDA Credit have been forwarded to SFC's.

**Part IV—Reporting**

The various periodical reports which are required to be submitted by SFC's to IDBI/IFD, RBI for onward transmission to IDA have already been indicated to the SFC's.

**B Procedure for Import Licensing**

The procedure for clearance of import of capital equipments by small and medium scale industries to be financed by SFC's under IDA Credit has been considerably simplified. Irrespective of the size of the borrower/value of import licence, all proposals seeking assistance under IDA Credit will now be considered by the CG *Ad hoc* Committee. The detailed procedure for issue of import licence is given below.

1. An industrial concern desirous of making use of facilities under the IDA Line of Credit will apply to the SFC for sanction of assistance and simultaneously apply to the Chief Controller of Imports & Exports (CCIE) for an import licence except in cases where the value of import is more than Rs. 7.5 lakhs ; in the latter cases, the industrial concerns will have to advertise their requirements as outlined in Footnote I and complete this procedure before applying to the CCIE for import licence. The application for import licence should bear the stamp of the SFC to which the borrower has approached for financial assistance and the number of such application for financial assistance. A copy of the import licence application—and *not the application* to the SFC—should be forwarded by the borrower to the New Delhi Regional Office (NDRO) of the IDBI, at its following address :

The Dy. General Manager,  
Industrial Development Bank of India,  
New Delhi Regional Office,  
Bank of Baroda Building,  
16, Parliament Street,  
Post Box No. 234,  
New Delhi-1.

2. NDRO of IDBI will prepare a summary of the case on the basis of the application for import licence and will submit it to the CG *Ad hoc* Committee, which will meet every week. Except in the case of the following :—

- (i) industries reserved for the small-scale sector (Annexure B) ;
- (ii) units belonging to any of the 19 industries mentioned in Appendix 1 of the industrial Policy statement dated the 2nd February 1973 (Annexure C) ; and
- (iii) ancillary units supplying components, etc., to any of these industries ;

\*It is not necessary to obtain comments of the Economic Adviser in the case of the industries listed under (i), (ii) and (iii) above.

*Footnote 1 :*

**Advertisement to be made by applicants**

The applicants, whose requirement in respect of capital goods or machine tools exceeds Rs. 7.5 lakhs in value should advertise their requirements so that the indigenous manufacturers have an opportunity of offering to supply the goods in question. The advertisement should indicate, *inter alia*, full specifications, make model and other detailed particulars of the machinery or equipment sought to be imported, the desired period of delivery and other relevant information. It should be specifically indicated in the advertisement whether the drawings in respect of the required machinery or equipment would be provided.

The advertisement should be published in the Indian Trade Journal issued by the Director General of Commercial Intelligence and Statistics, I Council House Street Calcutta, or in Indian Export Service Bulletin issued by the Director, Commercial Publicity, Ministry of Foreign Trade, Udyog Bhavan, New Delhi. All communications in regard to the publication of the display advertisement in the Indian Trade Journal should be addressed to the Manager of Publications, Civil Lines, Delhi-6 to the Depot-in-Charge, Government of India Book Depot, 8 K. S. Roy Road, Calcutta-1

The indigenous manufacturers should be given a time limit of 45 days to respond to the advertisement. The indigenous manufacturers who are in a position to meet the requirements in response to the advertisement should send their reply to the applicant within 45

the NDRO will obtain the comments\* of the Economic Adviser to the Ministry of Industrial Development before putting up the cases to the Committee. (List of industries which are reserved exclusively for development in the small-scale sector as also list of core industries are attached—Annexures B and C, respectively). The Committee will obtain the views of the DGTD (who will be represented on the Committee) in the meeting itself, from the indigenous angle, and take a final decision. The decision of the Committee will be communicated by the NDRO of IDBI to the SFC concerned. (Wherever possible, the Ministry of Industrial Development is advising entrepreneurs whose applications for import of capital equipments have been cleared or are being cleared by CG Committee or the CG *Ad hoc* Committee to approach the concerned SFCs for loans under the project.) At the same time, NDRO of IDBI will advise the industrial concern about the clearance of the proposal by the CG *Ad hoc* Committee so as to enable it to proceed in the matter of making arrangements for import of machinery, etc.

3. Even without waiting for clearance of the proposal by CG *Ad hoc* Committee, the SFC will proceed with the sanction of assistance. The SFC should communicate its sanction to the borrower and *intimate CCIE and NDRO of IDBI*. The Chief Controller of Imports & Exports will issue the import licence in favour of the industrial concern after (a) clearance for import of the equipment is given by the CG *Ad hoc* Committee and (b) SFC concerned has intimated that it has sanctioned the loan for financing the import.

day, of the advertisement with a copy thereof to DGTD. After 45 days of the advertisement, the intending importer may apply for an import licence for the machinery or equipment or machine tools to the CCIE, New Delhi. If the import application is not made within three months after the expiry of 45 days from the date of the advertisement, the applicant may have to advertise again in the manner indicated above.

*Footnote 2 :*

**Intimation regarding utilisation of licences**

As on 28th February and 31st August each year, the licensee is to furnish to the Director of Statistics, a half-yearly return (with a copy to the Foreign Exchange Section of Ministry of Industrial Development) indicating the progress in utilisation of licence by way of orders placed/letters of credit opened, actual imports and remittances made and also expected dates of future shipment.

Importers of capital goods are to make it clear to their foreign suppliers at the outset that they will be required to give a guarantee in regard to the performance of the equipment supplied, even though a part of the plant may have been purchased from indigenous sources. Since the import licences are not likely to be further revalidated, the importers are advised to inform their foreign suppliers, particularly when the imports are sought owing to inordinately delayed delivery periods quoted by indigenous manufacturers, to strictly adhere to the promised delivery dates.

*Footnote 3 :*

**Important hints to applicants**

Applicants should clearly specify the country/countries from which imports are to be made. It is not enough to indicate a currency area in vague terms. Applicants who approach SFC for loan for the import of machinery and capital equipment should mention this fact specifically in column 6 (vii) of the application (Form E).

*Footnote 4 :*

**Procedure for import licensing**

An applicant for the import of capital goods should possess valid industrial licence, if, under the Industries (Development and Regulation) Act, such a licence is required for manufacturing the item. However, if the applicant has not yet got an industrial licence but has a letter of intent, he is eligible to apply but the import licence is issued to him only after the applicant gets the industrial licence. Applicants belonging to the small-scale industries sector are expected to be registered with the Director of Industries of the State in which the unit is situated before applying for an import licence for capital goods.

## APPENDIX—ANNEXURE A

## LIST OF MEMBER COUNTRIES OF THE WORLD BANK

Afghanistan	Laos
Algeria	Lebanon
Argentina	Lesotho
Australia	Liberia
Austria	Libyan Arab Republic
Belgium	Luxembourg
Bolivia	Malagasy Republic
Botswana	Malawi
Brazil	Malaysia
Burma	Mali
Burundi	Mauritania
Cameroon	Mauritius
Canada	Mexico
Central African Republic	Morocco
Ceylon	Nepal
Chad	Netherlands
Chile	New Zealand
China, Republic of	Nicaragua
Colombia	Niger
Congo, People's Republic of	Nigeria
Costa Rica	Norway
Cyprus	Oman
Dahomey	Pakistan
Danmark	Penama
Dominican Republic	Paraguay
Ecuador	Peru
Egypt, Arab Republic of	Philippines
El Salvador	Portugal
Equatorial Guinea	Rwanda
Ethiopia	Saudi Arabia
Fiji	Senegal
Finland	Sierra Leone
France	Singapore
Gabon	Somalia
Gambia, The	South Africa
Germany, Federal Republic of	Spain
Ghana	Sudan
Greece	Swaziland
Guatemala	Sweden
Guinea	Syrian Arab Republic
Guyana	Tanzania
Haiti	Thailand
Honduras	Togo
Iceland	Trinidad and Tobago
India	Tunisia
Indonesia	Turkey
Iran	Uganda
Iraq	United Kingdom
Ireland	United States
Israel	Upper Volta
Italy	Uruguay
Ivory Coast	Venezuela
Jamica	Viet Nam
Japan	Yemen Arab Republic
Jordan	Yemen, People's Democratic Republ of
Kenya Khmer Republic	Yugoslavia
Korea	Zaire
Kuwait	Zambia

## **APPENDIX—ANNEXURE B**

## **LIST OF INDUSTRIES WHICH ARE RESERVED EXCLUSIVELY FOR DEVELOPMENT IN THE SMALL-SCALE SECTOR**

1. Absorbent Cotton
  2. Automobile Radiators  
(except for expansion on merits)
  3. Barbed Wire
  4. Beam Scale
  5. Bichromates  
(except for exports)
  6. Bolts and Nuts  
(except High Tensile and other special type)
  7. Conduit Pipes—Metallic
  8. Domestic Electric Appliances and Accessories such as electric iron, roasters, heaters, washing machines etc. Other than vacuum cleaners industrial washing and dry-cleaning machines etc.
  9. Dyes—(i) Azo Dyes (Directs and Acids) and  
(ii) Basic Dyes
  10. (a) Electrical Wiring Accessories;  
(b) Electrical Light fittings (such as chokes, starters, reflectors etc.).
  11. Expanded Metal
  12. Fireworks
  13. Formulated Perfumery Compounds
  14. Full P.V.C. Footwear (Chapals, Sandals and Shoes, except for export by predominantly export-oriented units).
  15. Glass Hollow-ware by semi-automatic process.
  16. Gun Metal Bushes
  17. Hand Numbering Machines
  18. Hand Stapling Machines
  19. Hurricane Lanterns
  20. Hypodermic Needles
  21. Insecticide Dusters and Sprayers (Manual)  
22. Laundry Soap
  23. Leather Footwear (except for expansion of the existing units for exports and new units for exports)
  24. Machine Screws (except for Socket Hand and Special Types)
  25. Machines Shop Vices
  26. Metal Clad Switches upto 30 Amps
  27. Miniature Bulbs :  
(a) Miniature Vacuum Bulbs  
(b) Torch Bulbs  
(c) Radio Panel Bulbs  
(d) Cycle Dynamo Bulbs, and  
(e) Decoration Bulbs
  28. Paints and Varnishes-Dry Distempers, Red Lead, Red Oxide, Aluminum Paints, Bitumen Paints to IS Specification, Wagon Blocks Graphite Paints, all Paste Paints.
  29. Palm Rose Oil
  30. Paper Conversion Products
  31. Pine Oil (except for composite Schemes)
  32. Plaster Boards
  33. Plastic Processed Products—
    - (i) Bottle Caps, Buttons, Lamp Shade etc., produced by the compression moulding technique ;
    - (ii) Plastic Articles manufactured from plastic sheets; Rods or Tubes by the fabrication technique excluding the technique of vacuum forming;
    - (iii) Polythelene Films (Films with a thickness of less than 0.10 mm) and products from the Film such as Bags etc. (excluding heavy duty Bags and Multi-coloured printed film and Bags)
    - (iv) Blow-moulded Containers and other similar products manufactured by the blow moulding technique (except for captive use, PVC Containers and Change-over by existing units manufacturing Metal Containers to Plastic Containers);
    - (v) Spectle Frames from Sheets by fabrication technique or by injection moulding ;
    - (vi) Manufacture of Polyester Sheets for Buttons and the processing of the Sheets so produced to manufacture Buttons.

- 34. Rivets of all types (including Bifurcated)
- 35. Rolling Shutters
- 36. Roofing, Flooring and Glazed Tiles (except plastic and ceramic tiles of sizes 4" x 4" and above)
- 37. Safety Matches
- 38. Steel Wool
- 39. Students Microscopes
- 40. Surgical Gloves (except plastic)
- 41. Telescopic Aerials (for Radio Receivers)
- 42. Thermometers (upto 150° C)
- 43. Water Meters
- 44. Welded Wire Mesh (except for expansion of existing units)
- 45. Wire Brushes and Fibre Brushes
- 46. Wire Products — all Wire products such as Wire Nails, Hob nails, Panel pins, Horse Shoe Nails
- 47. Wood Screws
- 48. Cycle Tyres and tubes
- 49. Electric Horns
- 50. Hydraulic Jacks below 30 tonnes capacity
- 51. Tooth Paste
- 52. Pressure Die Castings (upto 4 Kg.)
- 53. Drums and Barrels (upto 50 litre capacity)
- 54. Tin Containers — unprinted (other than CITs) cans upto 18 litre capacity
- 55. Flash light torch cases (plastic)
- 56. Truck Body Building (Wooden Structure)
- 57. Battery Cell Tester
- 58. Pressure Gauges (upto 50 lbs per sq inch)
- 59. Low Tension Insulators
- 60. A.A. & A.C.S.R. Conductors (upto and including 19 strands)
- 61. Electric Transmission Line Hardware (other than those manufactured in malleable castings)
- 62. Grease Nipples and Grease Guns
- 63. Exhaust Mufflers
- 64. Zinc Oxide
- 65. Auto Leaf Springs
- 66. Chaff Cutter Blades
- 67. PVC & VIR Wires of Domestic Type
- 68. Metal Fittings for garments and leather goods
- 69. Weights
- 70. Sodium Silicate
- 71. Fuel Tank Caps
- 72. Fuel Lines
- 73. Wiring Harness
- 74. Tail Lamp Assembly
- 75. Side Lamp Assembly
- 76. Stop Lamp Assembly
- 77. Spot Lamp Assembly
- 78. Horn Buttons
- 79. Bulb Horn
- 80. Seats for bus and trucks
- 81. Ornamental Fittings
- 82. Rear View Mirrors
- 83. Sun Shades
- 84. Sun Visor
- 85. Luggage Carrier
- 86. Tyre Inflators (both hand and foot-operated)
- 87. Ash trays
- 88. Hub Caps
- 89. Wind Shield Wipers (Arms and Blades only)
- 90. Electrical fuse boxes

91. Electrical fuses
92. Battery Cables and fittings
93. Spokes and nipples
94. Steering Wheels
95. Armature tester
96. Battery Terminal Lifters
97. Condensors and Resistance Testers
98. Fender Spoons and hammers
99. Feeler Gauges
100. Flaring Tools
101. Gear Flushers
102. Puller of All types
103. Ring Expanders
104. Ring Compressors
105. Screw Extractors
106. Spark plug tester and cleaners
107. Toe in Gauges
108. Stud Removers (extractors)
109. Tyre valve pull out tools
110. Tube Cutters
111. Flanging Tools
112. Valve Lifters
113. Valve Replacing & Resetting Tools
114. Camber Testing Equipment
115. Domestic Utensils (other than stainless steel)
116. Steel Measuring Tapes
117. Cashew Shell Oil
118. Room Coolers (Desert Type)
119. Cotton Measuring Tapes
120. Rubberised Cloth
121. Household Knitting Machines
122. Para-Dichloro Benzene Balls
123. Potassium Silicate
124. Calcium Silicate

#### APPENDIX—ANNEXURE C

##### LIST OF 'CORE' INDUSTRIES AND INDUSTRIES WITH LONG-TERM EXPORT POTENTIALS

(As in Appendix to the press note dated February 2, 1973 -- Government of India, Ministry of Industrial Development)

1. Metallurgical industries
  - (i) Ferro alloys ;
  - (ii) Steel castings and forgings ;
  - (iii) Special steels ;
  - (iv) Non-ferrous metals and their alloys
2. Boilers and steam generating plants
3. Prime movers (other than electrical generators) ;
  - (i) Industrial turbines ;
  - (ii) Internal combustion engines
4. Electrical equipment :
  - (i) Equipment for transmission and distribution of electricity ;
  - (ii) Electrical motors ;
  - (iii) Electrical furnaces ;
  - (iv) X-ray equipment ;
  - (v) Electronic components and equipment

5. Transportation :
  - (i) Mechanised sailing vessels upto 100 dwt ;
  - (ii) Ship ancillaries ;
  - (iii) Commercial vehicles
6. Industrial machinery
7. Machine tools
8. Agriculture machinery : tractors and power tillers
9. Earthmoving machinery
10. Industrial instruments : indicating recording and regulating devices for pressure temperature, rate of flow, weights, levels and the like
11. Scientific instruments
12. Nitrogenous and phosphatic fertilisers falling under (1) inorganic fertilisers under 18 Fertilisers' in the First Schedule to the ID and R Act, 1951
13. Chemicals other then fertilisers :
  - (i) Inorganic heavy chemicals
  - (ii) Organic heavy chemicals
  - (iii) Fine chemicals, including photographic chemicals
  - (iv) Synthetic resins and plastics ;
  - (v) Synthetic rubbers
  - (vi) Manmade fibres ;
  - (vii) Industrial explosives ;
  - (viii) Insecticides, fungicides, weedicides and the like ;
  - (ix) Synthetic detergents ;
  - (x) Miscellaneous chemicals (for industrial use only)
14. Drugs and pharmaceuticals
15. Paper and pulp including paper products
16. Automobile tyres and tubes
17. Plate glass
18. Ceramics:
  - (i) Refractories ;
  - (ii) Furnace lining bricks - acidic basic and neutral
19. Cement products

*Note :* The classification of industries follows the First Schedule to the Industries (Development and Regulation) Act, 1951. Items reserved for the public sector under Schedule A to the Industrial Policy Resolution, 1956 or for production in the small-scale sector as may be notified from time to time will be excluded from the application of the list.

#### APPENDIX - ANNEXURE D

#### LIST OF INDUSTRIES RESEARCH FOR THE PUBLIC SECTOR

(Schedule A to the Industrial policy Resolution 1956)

1. Arms and ammunition and allied items of defence equipment.
2. Atomic Energy
3. Iron and steel
4. Heavy castings and forgings of iron and steel.
5. Heavy plant and machinery required for iron and steel production for mining for machine tool manufacture and for such other basic industries as may be specified by the Central Government.
6. Heavy electrical plant including large hydraulic and steam turbines.
7. Coal and lignite
8. Mineral oils.
9. Mining of iron ore, manganese or chrome gypsum, sulphur gold and diamond.
10. Mining and processing of copper lead zinc tin molybdenum and wolfram.
11. Minerals specified in the Schedule to the Atomic Energy (control of Production and use) Order, 1953.
12. Aircraft
13. Air transport
14. Railway transport
15. Shipbuilding
16. Telephones and telephone cables, telegraph and wireless apparatus (excluding radio receiving sets)
17. Generation and distribution of electricity.

## INDUSTRIAL DEVELOPMENT BALANCE SHEET AS AT

Previous Year		LIABILITIES	This Year	
	Rs.		Rs.	Rs.
	50,00,00,000	1. Capital		
		Authorised .. . . .		50,00,00,000
	40,00,00,000	Issued and Paid-up .. . . .		40,00,00,000
	16,75,66,000	2. RESERVES AND RESERVE FUND		
		(i) Reserve Fund .. . . .	18,86,31,000	
		(ii) Other Reserves .. . . .		
	61,72,747	(a) Investment Reserve .. . . .	82,19,058	19,68,50,058
		3. Gifts, Grants, Donations and Benefactions		
		(i) From Government .. . . .		—
		(ii) From other sources .. . . .		—
	12,65,00,000	4. Bonds and Debentures		
		5½% Bonds 1984 (1st & 2nd Series)		28,69,00,000
		5. Deposits		—
		6. Borrowings		
		(i) From Reserve Bank of India .. . . .		
		(a) Secured against stocks, funds and other trustee securities .. . . .		
		(b) Secured against bills of exchange or promissory notes .. . . .		
		(c) Out of the National Industrial Credit (Long Term Operations) Fund .. . . .	1,29,09,35,519	
	92,82,33,544	(ii) From Government of India .. . . .		
		(a) Interest-free loan .. . . .	10,00,00,000	
	10,00,00,000	(b) Othr loans .. . . .	1,25,49,67,391	
	1,32,09,25,495	(iii) From other sources .. . . .		—
		(iv) In foreign currency .. . . .		
		7. Current Liabilities and Provisions		2,64,59,02,910
	11,66,96,001			13,99,32,336
		8. Profit and loss Account		
		Balance of Profit transferred from the account annexed .. . . .	3,60,65,823	
	3,59,71,168	Less : Transferred to Reserve Fund .. . . .	2,10,65,000	
	2,28,46,000	Less : Balance transferable to Reserve Bank of India in terms of Section 22 (2) of the Industrial Development Bank of India Act 1964 .. . . .	1,50,00,823	
	1,31,25,168			—
	3,16,60,93,787			3,66,95,85,304
		Contingent Liabilities		
		(i) Claims against the Bank not acknowledged as debts .. . . .	4,45,060	
	4,45,060	(ii) On account of guarantees issued (Note No. 4) .. . . .	55,25,05,578	
	71,18,12,353	(iii) On account of underwriting commitments .. . . .	4,69,09,000	
	9,51,21,000	(iv) On account of uncalled moneys on partly-paid shares, debentures etc. .. . . .	4,61,63,020	
	3,86,56,020	(v) Money for which the Bank is contingently liable .. . . .	—	
	84,60,34,433			64,60,22,658

As per our report attached.  
K. S. AIYAR & CO.  
Chartered Accountants.

BANK OF INDIA  
30th JUNE 1973

GENERAL FUND

<i>Previous year</i>	<b>ASSETS</b>	<i>This Year</i>
Rs.		Rs.
	<b>1. Cash and Bank Balances</b>	
1,35,12,042	(i) Cash in hand and balances with Reserve Bank of India .. .. .. .. ..	4,03,722
6,061	(ii) Balances with other banks .. .. .. .. ..	21,049
—	(a) On current account .. .. .. .. ..	—
	(b) On deposit account .. .. .. .. ..	—
		4,24,771
	<b>2. Investments (Note No. 1)</b>	
7,98,28,664	(i) In Securities of Central and State Governments .. .. .. .. ..	12,52,44,185
31,27,51,544	(ii) In stocks, shares, bonds and debentures of financial institutions .. .. .. .. ..	34,06,20,519
16,18,36,884	(iii) In stocks, shares, bonds and debentures of industrial concerns (Note No. 2) .. .. .. .. ..	19,75,36,994
		66,34,01,698
	<b>3. Loans and advances</b>	
85,27,39,961	(i) To scheduled banks, State Cooperative banks and other financial institutions .. .. .. .. ..	88,93,27,235
78,72,11,298	(ii) To industrial concerns .. .. .. .. ..	96,98,95,687
—		1,85,92,22,922
85,59,44,288	<b>4. Bills of Exchange and Promissory Notes Discounted or Rediscounted</b> .. .. .. .. ..	1,09,00,94,045
—	<b>5. Premises</b> (At cost less depreciation) .. .. .. .. ..	—
9,27,063	<b>6. Other Fixed Assets</b> (At cost less depreciation) .. .. .. .. ..	10,29,132
10,13,35,982	<b>7. Other Assets (Note No. 3)</b> .. .. .. .. ..	5,54,12,736
	<b>8. Profit and Loss Account</b> .. .. .. .. ..	—
	Balance from last balance sheet .. .. .. .. ..	—
	Profit/Loss transferred from the account annexed .. .. .. .. ..	—
3,16,60,93,787		3,66,95,85,304

	<i>Book Value</i>	<i>Market Value</i>
	Rs.	Rs.
<i>Notes:</i>		
1. (a) Quoted investments .. .. .. .. ..	24,79,92,599	34,02,00,371
(b) Unquoted investments .. .. .. .. ..	41,54,09,099	—
	66,34,01,698	34,02,00,371
2. Acquired in discharge of underwriting obligations .. .. .. .. ..	17,83,58,184	—
Acquired by way of 'Rights shares' and Direct Subscriptions .. .. .. .. ..	1,91,78,810	19,75,36,994
3. Accrued income .. .. .. .. ..	3,87,70,926	—
Application moneys on investments .. .. .. .. ..	1,23,60,125	—
Cheques sent for collection .. .. .. .. ..	13,60,367	—
Others .. .. .. .. ..	29,21,318	5,54,12,736
4. Including liability agreed to be borne by participating Financial Institutions	Rs. 18,25,38,738	—

## BY ORDER OF THE BOARD

C. S. VENKAT RAO,  
*General Manager*

Bombay, 13th August 1973

S. JAGANNATHAN, *Chairman.*  
V. V. CHARI, *Vice-Chairman.*  
Bhabatosh Datta, *Director.*  
A. M. KHUSRO, *Director.*

## INDUSTRIAL DEVELOPMENT

## PROFIT AND LOSS ACCOUNT FOR THE

<i>Previous year</i>	EXPENDITURE	<i>This Year</i>
Rs.		Rs.
11,10,58,442	1. Interest paid on Deposits, Borrowings, etc. . . . .	13,49,18,492
87,01,035	2. Establishment expenses . . . . .	1,01,92,333
34,989	3. Directors' and Executive Committee Members' fees and expenses . . . . .	41,291
10,000	4. Auditors' fees . . . . .	10,500
23,41,252	5. Rent, Taxes, Insurance, Lighting, etc. . . . .	25,73,543
2,16,838	6. Law charges . . . . .	1,79,405
50,506	7. Postage, Telegrams and Stamps . . . . .	54,875
1,91,556	8. Stationery, Printing, Advertisement, etc. . . . .	2,66,688
90,923	9. Depreciation . . . . .	1,33,182
—	10. Net loss on sale of investments (not debited to reserves or any particular fund or account) . . . . .	—
7,25,213	11. Other Expenditure . . . . .	10,27,670
3,59,71,168	12. Balance of Profit carried to Balance Sheet . . . . .	3,60,65,823
<b>15,93,91,922</b>		<b>18,54,63,802</b>

As per our report attached

K. S. AIYAR & CO.  
Chartered Accountants.*Bombay, 13th August 1973.*

## REPORT OF THE AUDITORS

We have audited the attached Balance Sheet of the Industrial Development Bank of India as at 30th June 1973 as also the Profit and loss Account of the Bank for the year ended on that date and report that:

- (1) We have obtained all the information and explanations which we have required for the purposes of our audit and the same have been satisfactory;
- (2) In our opinion, and to the best of our information and according to the explanations given to us the said Balance sheet is a full and fair Balance Sheet and is properly drawn up containing all the necessary particulars so as to exhibit a true and fair view of the state of affairs of the Bank as at 30th June 1973 and is properly drawn up in accordance with the requirements of Regulation 14 of the Industrial Development Bank of India Regulations, 1964

K. S. AIYAR &amp; CO.

Chartered Accountants.

*Bombay, 13th August 1973.*

## INDUSTRIAL DEVELOPMENT

## BALANCE SHEET AS AT

<i>Previous Year</i>	LIABILITIES	<i>This Year</i>
Rs.		Rs.
24,41,52,868	1. Loans (i) From Government . . . . .	22,12,96,582
—	(ii) From other sources . . . . .	—
—		22,12,96,582
—	2. Gifts, Grants, Donations and Benefactions . . . . .	—
—	(i) From Government . . . . .	—
—	(ii) From other sources . . . . .	—
4,59,790	3. Other Liabilities and Provisions	4,64,338
3,13,98,389	4. Profit and Loss Account Balance from last balance sheet . . . . .	4,00,68,318
86,69,928	Profit transferred from the account annexed . . . . .	1,27,47,875
28,46,80,975		5,28,16,193
		27,45,77,113

## BANK OF INDIA

## GENERAL FUND

YEAR ENDED 30TH JUNE 1973

<i>Previous Year other</i>		<b>INCOME</b> (Less provision made during the year for bad and doubtful debts and other necessary and expedient provisions)	<i>This Year</i>
Rs.			Rs.
13,27,51,156	1. Interest and Discount .. . . . .	14,65,61,708	
2,19,28,244	2. Income from Investments .. . . . .	3,26,70,278	
39,92,731	3. Commission, Brokerage etc. .. . . .	54,27,462	
12,210	4. Net profit on sale of investments (not credited to reserves or any particular fund or account) .. . . .	—	
7,07,581	5. Other Income (Note No. 5) .. . . .	8,04,354	
—	6. Balance of Loss carried to Balance Sheet .. . . .	—	
15,93,91,922		18,54,63,802	

Note No. 5. Including Rs. 4,60,298 received from the Development Assistance fund towards expenditure on administration and application of the fund.

## BY ORDER OF THE BOARD

C. S. VENKAT RAO,  
*General Manager.*

Bombay 13th August 1973.  
BANK OF INDIA

30TH JUNE 1973

S. JAGANNATHAN *Chairman*  
V. V. CHARI *Vice-Chairman*  
Bhabatosh Datta, *Director*  
A. M. KHUSRO, *Director*

## DEVELOPMENT ASSISTANCE FUND

<i>Previous year</i>	<b>ASSETS</b>	<i>This year</i>
Rs.		Rs.
	<b>1. Cash and Bank Balances</b>	
614	(i) Cash in hand and balances with Reserve Bank of India .. . . . .	68
—	(ii) Balances with other banks (a) On current account .. . . . .	—
	(b) On deposit account .. . . . .	68
	<b>2. Investments (Note No. 1)</b>	
5,61,40,885	(i) In securities of Central and State Governments .. . . . .	5,81,43,831
1,79,55,310	(ii) In stocks, shares, bonds and debentures of industrial concerns (Note No. 2) .. . . . .	1,69,85,583
19,97,50,000	<b>3. Loans and Advances</b> .. . . . .	7,51,29,434
1,08,34,166	<b>4. Other Assets</b> .. . . . .	18,35,82,045
—	<b>5. Profit and Loss Account</b> .. . . . .	1,58,65,566
—	Balance from last balance sheet .. . . . .	—
—	Profit/Loss transferred from the account annexed .. . . . .	—
28,46,80,975		27,45,77,113

Contingent Liabilities					
(i)	Claims against the bank not acknowledged as debts .. .. .. .. ..				
—	(ii) On account of guarantees issued .. .. .. .. ..				2,67,15,615
—	1,00,00,000 (iii) On account of underwriting commitments .. .. .. .. ..				
	(iv) On account of uncalled moneys on partly paid shares, debentures, etc. .. .. .. .. ..				
	(v) Moneys for which the Bank is contingently liable .. .. .. .. ..				
	1,00,00,000				2,67,15,615

Bombay, 13th August 1973.

As per our report attached.  
 K. S. AIYAR & CO.  
 Chartered Accountants

### INDUSTRIAL DEVELOPMENT PROFIT AND LOSS ACCOUNT FOR THE

Previous Year	EXPENDITURE	This Year
Rs.		Rs.
1,45,18,326	1. Interest paid on Borrowings .. .. .. .. ..	1,34,28,033
4,59,750	2. Establishment expenses (Note No. 3) .. .. .. .. ..	4,60,298
—	3. Auditor's fees .. .. .. .. ..	—
—	4. Rent, Taxes, Insurance, Lighting, etc. .. .. .. .. ..	—
—	5. Law charges .. .. .. .. ..	—
—	6. Postage, Telegrams and Stamps .. .. .. .. ..	—
—	7. Stationery, Printing, Advertisement, etc. .. .. .. .. ..	—
—	8. Net loss on sale of investments (not debited to reserves or any particular fund or account) .. .. .. .. ..	—
—	9. Other Expenditure .. .. .. .. ..	—
86,69,928	10. Balance of Profit carried to Balance Sheet .. .. .. .. ..	1,27,47,875
2,36,48,004		2,66,36,206

Note No. 3 : Representing reimbursement to General Fund towards expenditure on administration and application of the fund.

Bombay, 13th August 1973.

As per our report attached  
 K. S. AIYAR & CO.,  
 Chartered Accountants

### REPORT OF THE AUDITORS

We have audited the attached Balance Sheet of the Development Assistance Fund of the Industrial Development Bank of India as at 30th June 1973 as also the Profit and Loss Account of the Fund for the year ended on that date and report that :

- (1) We have obtained all the information and explanations which we have required for the purposes of our audit and the same have been satisfactory;
- (2) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet is a full and fair Balance Sheet and is properly drawn up containing all the necessary particulars so as to exhibit a true and fair view of the state of affairs of the Fund as at 30th June 1973 and is also properly drawn up in accordance with the requirements of Regulation 14 of the Industrial Development Bank of India Regulations, 1964.

Bombay, 13th August 1973.

K. S. AIYAR & Co.,  
 Chartered Accountants

<i>Notes</i>			<i>Book Value</i>	<i>Market Value</i>
			Rs.	Rs.
1.	(a) Quoted investments .. . . . .	.. . . . .	7,51,29,434	15,92,29,152
	(b) Unquoted investments .. . . . .	.. . . . .	—	—
			7,51,29,434	15,92,29,152

2. Acquired in discharge of underwriting obligations.

BY ORDER OF THE BOARD

C. S. VENKAT RAO,  
*General Manager.*

Bombay, 13th August 1973.

S. JAGANNATHAN,  
V. V. CHARI,  
Bhabatosh Datta,  
A. M. KHUSRO,

*Chairman.*  
*Vice-Chairman.*  
*Director.*  
*Director.*

**BANK OF INDIA**

**YEAR ENDED 30TH JUNE 1973**

**DEVELOPMENT ASSISTANCE FUND**

<i>Previous Year</i>	<b>INCOME</b>		<i>This Year</i>
	(Less provision made during the year for bad and doubtful debts and other necessary and expedient provisions)		
Rs.			Rs.
1,68,88,279	1. Interest .. . . .	.. . . .	1,46,13,425
67,09,708	2. Income from Investments .. . . .	.. . . .	80,68,122
—	3. Commission, Brokerage etc. .. . .	.. . . .	1,84,369
50,017	4. Net profit on sale of investments (not credited to reserves or any particular fund or account) .. . . .	.. . . .	37,70,290
—	5. Other Income .. . . .	.. . . .	—
—	6. Balance of loss carried to Balance Sheet .. . . .	.. . . .	—
2,36,48,004			2,66,36,206

BY ORDER OF THE BOARD

C. S. VENKAT RAO,

*General Manager.*

Bombay, 13th August 1973.

S. JAGANNATHAN,

*Chairman.*

V. V. CHARI,

*Vice-Chairman.*

Bhabatosh Datta

*Director.*

A. M. KHUSRO,

*Director*

## PRINCIPAL OFFICERS

(As on June 30, 1973)

*General Manager*  
*Joint General Manager*  
*Deputy General Managers*

*Legal Adviser*  
*Additional Legal Adviser*  
*Deputy Legal Adviser*  
*Secretary*  
*Managers*

C. S. VENKAT RAO  
B. N. MALHOTRA  
M. N. KALE  
Y. S. KEDARE  
D. SHARMA  
A. N. VIJ  
R. M. HALASYAM  
N. V. SUNDARAM  
S. A. NAIK  
S. KRISHNAMURTHY  
S. ANANTHANARAYANAN  
O. P. BERRY  
S. M. CHITNIS  
S. A. DAVE  
D. M. DIXIT (Madras Regional Office)  
K. D. DUDHMAL  
T. N. GIDWANI  
S. GOPALAN  
D. P. GUPTA  
P. C. JAIN  
N. D. JOSHI  
S. H. KHAN  
S. D. KHOSLA  
I. J. LAUL (New Delhi Regional Office)  
S. M. PALIA  
C. S. PANI (Hyderabad Branch Office)  
M. S. PARikh (Calcutta Regional Office)  
B. PRASAD  
S. RAJENDRAN  
M. RAMASWAMY  
N. G. SEN  
C. R. SEN GUPTA (Calcutta Regional Office)  
N. V. SITARAM  
D. C. WADHWA

## ADDRESSES OF THE HEAD/REGIONAL/BRANCH OFFICES

## Head Office

## INDUSTRIAL DEVELOPMENT BANK OF INDIA

New India Centre,  
17 Cooperage,  
Post Box No. 1241,  
Bombay-1.

Telegrams : "INDBANKIND"

Regional Offices	Address	Branch Offices	Address
<b>CALCUTTA</b>	Reserve Bank Building 15, Netaji Subhas Road, Post Bag No. 45, Calcutta -1. (West Bengal)	<b>CHANDIGARH</b>	'Jeevan Deep' Building, Second Floor, Sector 17-A, P. O. Box No. 2, Chandigarh-17.
<b>MADRAS</b>	"Kuralagam" Building, Esplanade, Post Bag No. 5030, Madras -1 (Tamil Nadu)	<b>COCHIN</b>	Shema Building, Mahatma Gandhi Road, Ernakulam, Cochin-1 (Kerala)
<b>NEW DELHI</b>	Bank of Baroda Building, 16, Parliament Street, Post Box No. 231, New Delhi -1	<b>GAUHATI</b>	Shaikh Building, Pan Bazar, Gauhati-1 (Assam)
		<b>HYDERABAD</b>	Andhra Pradesh State Co-operative Bank Bldg., Second Floor, Troop

Branch Offices			
<i>AHMEDABAD</i>	La Gajjar Chambers, 4th Floor, Ashram Road, Ahmedabad-9. (Gujarat)	<i>JAIPUR</i>	Bazar, Hyderabad-1. (Andhra Pradesh)
<i>BANGALORE</i>	Reserve Bank Annexe Building, 10/3/8, Nrupathunga Road, Post Box No. 6768, Bangalore-2. (Mysore)	<i>JAMMU</i>	Shri Balkrishna Commer- cial Co. Building Sansar- chandra Road, Jaipur-4. (Rajasthan)
<i>BHOPAL</i>	40, New Market T.T. Nagar, Bhad Bhada Road, Bhopal-3 (Madhya Pradesh)	<i>KANPUR</i>	15,C. Block Extension, Gandhinagar, Jammu-4. (Jammu & Kashmir)
<i>BHUBANESWAR</i>	Plot No. 5; Udyan Marg, Forest Park, Bhubaneswar-9. (Orissa)	<i>PATNA</i>	Reserve Bank of India New Building, Mahatma Gandhi Marg, Kanpur. (Uttar Pradesh)
			Reserve Bank Building, South of Gandhi Maidan, Post Bag No. 162, Patna-1. (Bihar)

